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ABSTRACT

The major issues currently faced by policy makers in education at the state level are identified and discussed in this report. The information included is drawn from questionnaire and interview responses provided by state-level coordinators of the State Education Policy Seminars (SEPS) (sponsored by the Education Commission of the States and the Institute for Educational Leadership, as well as by SEPS participants) and from written reports, journal articles, and other materials surveying contemporary state education issues. The first part of the report considers the state's changing role in formulating and administering public policy, the wide variation among the 50 states in issues affecting education, and the impact of the current economic and social situation on attitudes toward education. Part 2 reports on the major issues identified by the SEPS coordinators in the following areas: tax and spending limitations, finance reform, urban education, education for the handicapped, school desegregation, competency testing, private education, collective bargaining, and the finance and governance of higher education. Part 3 explores the governmental and political processes educators must understand before attempting to resolve these issues. The final section suggests issues likely to arise in the near future and factors that will affect their resolution. (Author/PGD)

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EDUCATIONAL POLICYMAKING

A VIEW FROM THE STATES

February 1982

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EA 015 159

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PREFACE

Educational Policymaking: A View from the States is the product of a unique program located in 36 states, the State Education Policy Seminars (SEPS). Under the SEPS program, top-level legislators, education department administrators, governors' staff members and representatives of groups involved in education meet in their state capitals to discuss important education issues and look for ways to solve problems. SEPS is sponsored by the Education Commission of the States (ECS) and the Institute for Educational Leadership (IEL).

Each seminar is run by a coordinator who may be a legislator, an official from the state department of education, a university professor or an education association official.

The SEPS coordinators are knowledgeable about the education issues in each of their states, are familiar with the state's education and political leaders, and have earned the trust of the state's education policymaking community. In most cases, the SEPS coordinator receives guidance from an advisory board of education and governmental leaders, usually including the state's seven ECS commissioners.

Thus, the SEPS coordinators have an insider's view of the education issues and policymaking processes in their states. To begin to tap this expertise, the Institute for Educational Leadership, with the support of the National Insititute of Education, commissioned this report.

The report is based on four sources:

1) responses to questionnaires from SEPS coordinators in 30 states;

2) extensive follow-up telephone interviews with the SEPS coordinators;

3) responses to questionnaires from State Education Policy Seminar participants in selected states, and;

4) written reports, journal articles, and other surveys dealing with contemporary state education issues

In addition three of the SEPS coordinators--Ivan Backer of Connecticut, Milton Baxter of Mississippi, and Peggy Siegel of Ohio--prepared detailed case studies of the resolution of specific issues in their states. These case studies demonstrate the subtlety and complexity of state education politics.

The report is divided into four sections. Part One identifies major trends in state government and education and provides the context in which education issues arise and are resolved.

Part Two first reports on the major education issues identified by the SEPS coordinators. It then discusses the effect of these issues in the thirty states included in the survey. This section also includes the three case studies on "School Finance Reform in Connecticut," "The Education of the Handicapped in Mississippi," and "School Desegregation in Ohio."

Part Three of the report explores the state governmental and political processes that educators must understand before attempting to resolve contemporary education issues.

Finally, Part Four attempts to determine what education issues will arise and how they are likely to be resolved by the states in the 1980s. The entire report is written with the policymaker in mind. Taken as a whole, it covers a number of state education issues and policymaking processes and suggests trends that are likely to affect crucial and complex education issues in the years ahead.

Ellis Katz
Philadelphia, PA
February 1982

PART ONE

EDUCATION AND THE STATES IN THE AMERICAN FEDERAL SYSTEM

I. The States and Public Policy

In the 1970s, the states began to take back many of the powers and responsiblities they had ceded to the federal government in the 1960s. Federal officials found they could not ignore state officials and dictate the specific manner in which grant money could be spent. Congress met state demands for a share in decisionmaking by consolidating a multitude of specific grant programs into large block grants the states could spend as they saw fit, free from the rules and regulations that frequently accompanied categorical grants.

At the same time, many states underwent political and administrative reorganizations. These included professionalizing legislative institutitons, streamlining executive agencies, modernizing court systems, and opening up the political process to previously unrepresented populations.

The growing dissatisfaction with centralized solutions and the improving state political environments combined to increase the states' role in almost every aspect of public policy. This was evident in three areas.

First, the fiscal role of the states increased quite sharply during the 1970s. State spending during the decade increased from approximately $49.5 billion to almost $145 billion. State spending increased somewhat faster than either federal or local spending -- 292 percent, compared with 269 percent for the federal government and 236 percent for local governments. More important, the state share of state/local spending increased from 51 percent to 56 percent.

Second, the administrative role of the states increased. While most public services continue to be provided by local governments, the state role in assuring that services are efficiently and equitably provided increased. In almost all areas of public policy, from corrections to environmental protection, to youth services, to education, the states became active in overseeing what had been traditionally local services.

Third, and perhaps most important, the role of the states in formulating public policy increased. While the states have always had vast constitutional authority in all policy areas, the 1970s witnessed new state initiatives in education, health care,

criminal justice and economic development. This new activism probably was related to factors such as the realignment of state legislatures by population, the recruitment of younger and better educated state legislators, and the growth of special interest groups. In addition, the worsening financial situation of many large and medium-sized cities and budget surpluses in several states encouraged state solutions to local problems. Finally, one unanticipated consequence of federal and state court decisions was an increased state role in assuring equity in service delivery.

These trends are most evident in public education. The state role in funding public education increased during the 1970s, from a 40 percent share of the cost in 1969 to 47 percent in 1979.

The states also expanded their administrative role in public education. Many states moved to integrate public education into a more comprehensive social services policy, often strengthening the governors' control over education. Also the states began to assume a greater role in the governance of state universities and colleges.

Finally, the 1970s were marked by new state initiatives in education. Several states began using competency tests, either as a diagnostic measure or as a requirement for graduation or promotion. Other states revised the process of teacher certification. Yet others initiated new programs to involve parents and other citizens in education. Tax credits and other devices to encourage the growth of private education were enacted by some states, while others stressed basic skills and compensatory education.

These trends are expected to continue and even accelerate in the 1980s. Even if the Reagan administration's proposals for education block grants fails, the federal government is likely to consolidate many categorical programs to give states more discretion in spending federal funds and in operating federal programs. More important, many local school districts undoubtedly will continue to have fiscal problems, which will lead to more state funding and probably more state control of public education.

II. Fifty Different States

The trend toward greater state involvement in education operates differently in each of the fifty states. First, the states differ in their history of state-local relations. For example, Hawaii, perhaps because of its long history as a territory, gives most authority to the state government, while New Hampshire is more like a federation of local communities. It is not surprising that Hawaii provides almost 90 percent of the cost of public education to the communities -- the highest in the nation -- while New Hampshire provides only about 10 percent -- the lowest in the nation.

The structure of state political institutions also varies. Some states, such as Maryland and Pennsylvania, have constitutionally powerful governors who traditionally dominate the budget process. On the other hand, the governors of Texas and South Carolina lack a strong constitutional base and cannot dominate the agendas of their legislatures. Similarly, the structure of state legislatures varies from state to state. California and New York have full-time, professional legislatures with annual sessions and large support staffs. In other states, legislatures meet for relatively short periods, have minimal staffs and may even lack office space.

Just as political tradition and structure vary from state to state, so does the state administrative structure of public education. California, for example, has an elected chief state school officer and an appointed state board of education. In Pennsylvania and New Jersey, both the chief state school officer and the state board are appointed by the governor. In Alabama, the governor sits as chairman of the state board. Wisconsin does not have a state board of education. Rhode Island has one board with authority over both public schools and state colleges; Florida has two separate boards. The administrative structure of higher education is even more complicted and varied among the states. Pennsylvania, in addition to its state university, has three state-related universities, fourteen state colleges, several state-aided institutions, and fourteen community colleges. Each has its own trustees and bears its own unique relationship to the state. California, on the other hand, has a single powerful statewide board.

The various administrative structures affect the decisionmaking process if not the decisions themselves. Thus, in one state, a state board may do no more than ratify the decisions of a powerful chief state school officer. In another, the chief state school officer amy be essentially a clerk with real power exercised by the state board. Similarly, a board of regents in one state may be a significant force in the legislature, but in another, the legislature can all but ignore the regents and deal directly with the state department of education or with the governor.

Finally, economic factors differ from state to state. Michigan and Ohio suffer from inflation and the downturn in automobile sales at the same time that Texas and Louisiana enjoy budget surpluses. It is this variation in fiscal conditions that, on the one hand, allowed California to subsidize local governments' spending for education to cushion the impact of Proposition 13, and on the other hand, forced Connecticut to spread out over five years its school finance reform mandated by Horton v. Meskill. Inflation and a drop in tax collections caused Pennsylvania to cut back programs in special education and limited Ohio's response to court ordered school desegregation.

III. The Condition of Education

Four dominant trends in education are affecting the states. The first factor is declining enrollments. During the 1970s enrollment in public elementary and secondary schools declined from a high of almost 46 milion to under 42 million. During the same period, enrollment in private elementary and secondary schools declined from 5.4 million to 5 million. Enrollment in public and private colleges and universities actually increased from 8.5 million in 1970 to 11.5 million in 1979.

During the 1980s, public school enrollment is expected to decline by an additional 1.7 million students. Secondary schools will be more severely affected than elementary schools. Private school enrollment is expected to remain fairly constant or even increase slightly. Private school students may make up a slightly larger percentage of the total number of students enrolled -- from approximately 10.5 percent in 1979 to 11 - 13 percent in 1989. While projections about postsecondary enrollment are extremely difficult to make, experts predict a decline of up to 20 percent by 1989.

There will, of course, be significant regional and state variation in enrollment. The New England, Middle Atlantic and Great Lake states are expected to be most severely affected. Some states of the South and Southwest may continue to grow.

In addition to this regional and state variation, there is also expected to be considerable variation in enrollment among the various types of postsecondary institutions. While two-year institutions might grow, enrollment in four-year institutions could decline by as much as 25 to 30 percent. The less selective private liberal arts colleges are expected to suffer most severely, while many of the major research universities will be stable or even experience modest growth.

Shrinking tax revenues are the second trend affecting education. In some states the decrease is brought about by inflation and a sagging economy and in others by citizen-initiated tax or spending limitations. Beginning in California with the passage of Proposition 13 in 1978, at least 17 states have adopted tax or spending limitations. And while it is too early to gauge the full impact of these limitations, three effects are likely:

A higher percentage of the burden of providing public services will be shifted from local property taxes to state sales and income taxes.

Competition for funds between education and other public services is likely to increase as resources become more scarce.

State control may follow from state funding.

Political scientist Fred Wirt in his article "Does Control Follow the Dollar?" concluded that those states that provide a high percentage of the costs of education do not necessarily exercise significantly greater control over local boards of education.1 However, recent experience in California and New Jersey, both of which greatly increased their share of the cost of education, suggests that increases in state funding carry with them increases in state control.

The third trend affecting education across the country is the continued decline of public confidence in education. The Gallup poll of the public's atitudes toward the schools shows a steady decline in the ratings given the public schools. In 1974, 48 percent of Americans gave the schools an "A" or "B" rating; by 1980, that percentage had declined to 35 percent. Similarly, in 1974 only 11 percent gave the schools a "fail" or "D" rating; by 1980, 18 percent rated the schools this low.

There is considerable variation in how different populations rate their schools. For example, Midwesterners and Southerners appear to rate their schools somewhat higher than do Easterners and Westerners. In addition, Americans living in small communities -- with populations from 2,500 to 50,000 -- rank their schools much higher than do individuals living in the largest cities. The harshest critics of American schools are Northern blacks. A full third of Northern blacks give schools a "fail" or "D" rating.

There is little reason to be sanguine about the possiblity of increased public support for the schools during the 1980s. According to a recent study by the Education Commission of the States, "...There will be a decrease in the number of persons with a direct interest in schools and a continued increase in the 65-and-over age group."2

The ECS study also found that "those with a direct interest in number the schools will be composed of greater percentages of low income, black and Hispanic persons, groups that historically have the lowest voter turnout...and who are not as involved in the country's political processes."

1Publius: The Journal of Federalism, vol. 10, no. 2 (Spring, 1980), 69-88.
2School Finance Reform in the States: 1980.

The ECS report concludes that school support in the 1980s will be affected by a "double whammy: fewer people will have a direct interest in schooling and of those who do, a higher percentage of them will be those who do not participate in the political process."

The fourth factor affecting public education is the continued drive towards equity and access. During the past decade, many educational initiatives -- both state and federal -- were motivated by a desire to distribute educational resources more equitably among rich and poor communities and to make them more accessible to various special populations. Consequently, such programs as compensatory education, bilingual education, and the education of the handicapped were as much matters of civil rights as of educational policy. Even much of the impetus behind the school finance reform movement was grounded in the tradition of civil rights rather than in more adequate funding of education.

Civil rights litigation has become a major source of change in education. Judicial decisions have forced school systems to offer bilingual education and better programs for the handicapped, and courts have ordered school desegregation and finance reform. Although there has been growing concern about the role of the courts in education, it is likely that the courts will continue to be involved.

These four trends -- declining enrollments, fiscal constraints, a skeptical public, and equality of educational opportunity -- provide the context in which the states attempt to forge educational policy. Given this backdrop, it is appropriate to look at the specific educational issues that confront the states.

PART TWO

Educational Issues in the States

IV. A Survey of Education Issues

Questionnaires filled out by 30 State Education Policy Seminar coordinators showed that the participants were most concerned with meeting rising costs of education in the face of taxpayer revolts. Two-thirds of the state coordinators said the impact of tax or spending limits was a very important issue. Other aspects of school financing, including the question of how to pay for educating handicapped students, were uppermost in the minds of the seminar coordinators.

Of the seven issues ranked very important by the largest number of state coordinators, five were related to financing education. School finance reform, funding higher education and state support for education ranked ahead of declining enrollments, school desegregation and bilingual education.

According to the results of the questionnaire, four issues were ranked as "very important" in at least one-half of the states in the survey. These issues are:

Impact of Tax or Spending Limits	(20 states)
Education of the Handicapped	(17 states)
Competency Testing	(17 states)
School Finance Reform	(15 states)

In addition, three issues were ranked as "very important" in at least one-third of the states surveyed. They are:

Funding Higher Education	(14 states)
State Support for Education	(13 states)
Collective Bargaining	(10 states)

Seven additional issues were ranked as "very important" in at least six states. They include:

Vocational Education	(8 states)
Education of the Gifted and Talented	(7 states)
Teacher Certification	(7 states)
Declining Enrollments	(6 states)
Governance of Higher Education	(6 states)
School Desegregation	(6 states)
Private Schools	(6 states)

TABLE 1
NATIONAL AVERAGE
THIRTY-STATE RANKING OF SEVENTEEN ISSUES

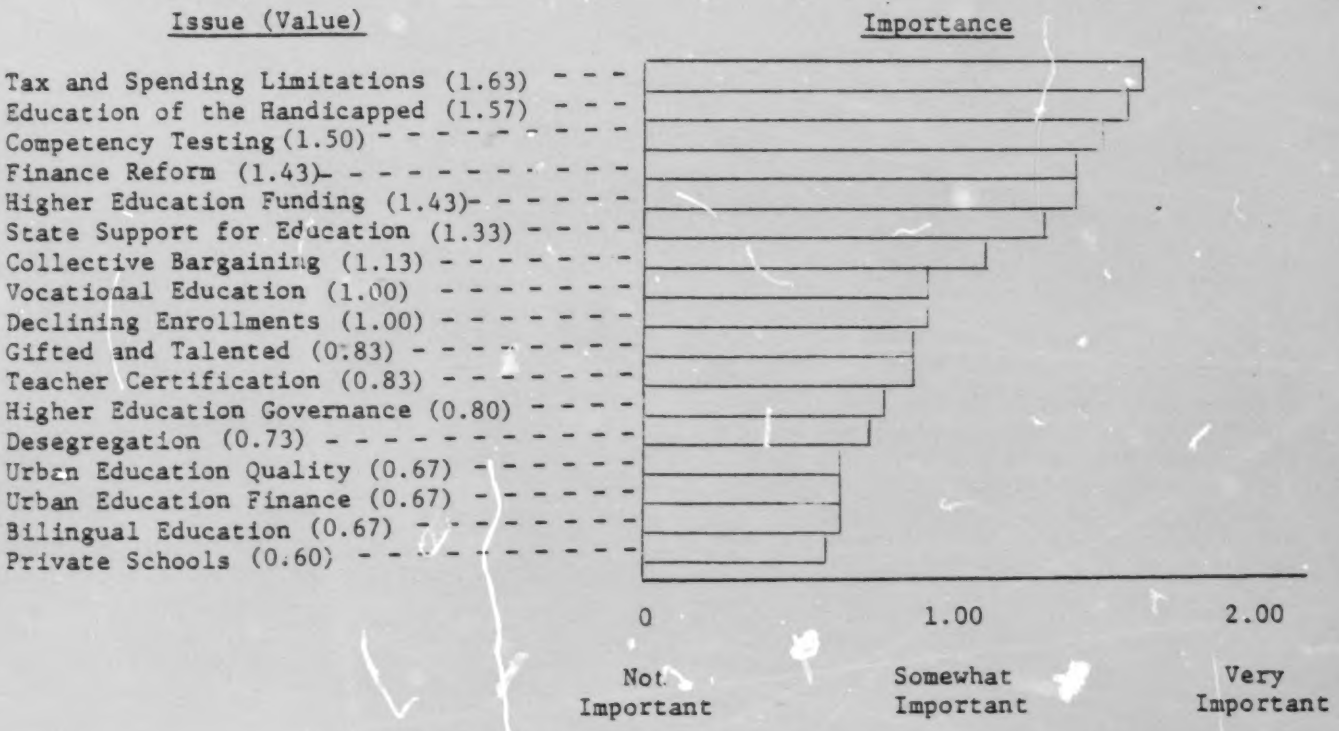


TABLE 2
GREAT LAKES AVERAGE
FIVE-STATE RANKING OF SEVENTEEN ISSUES

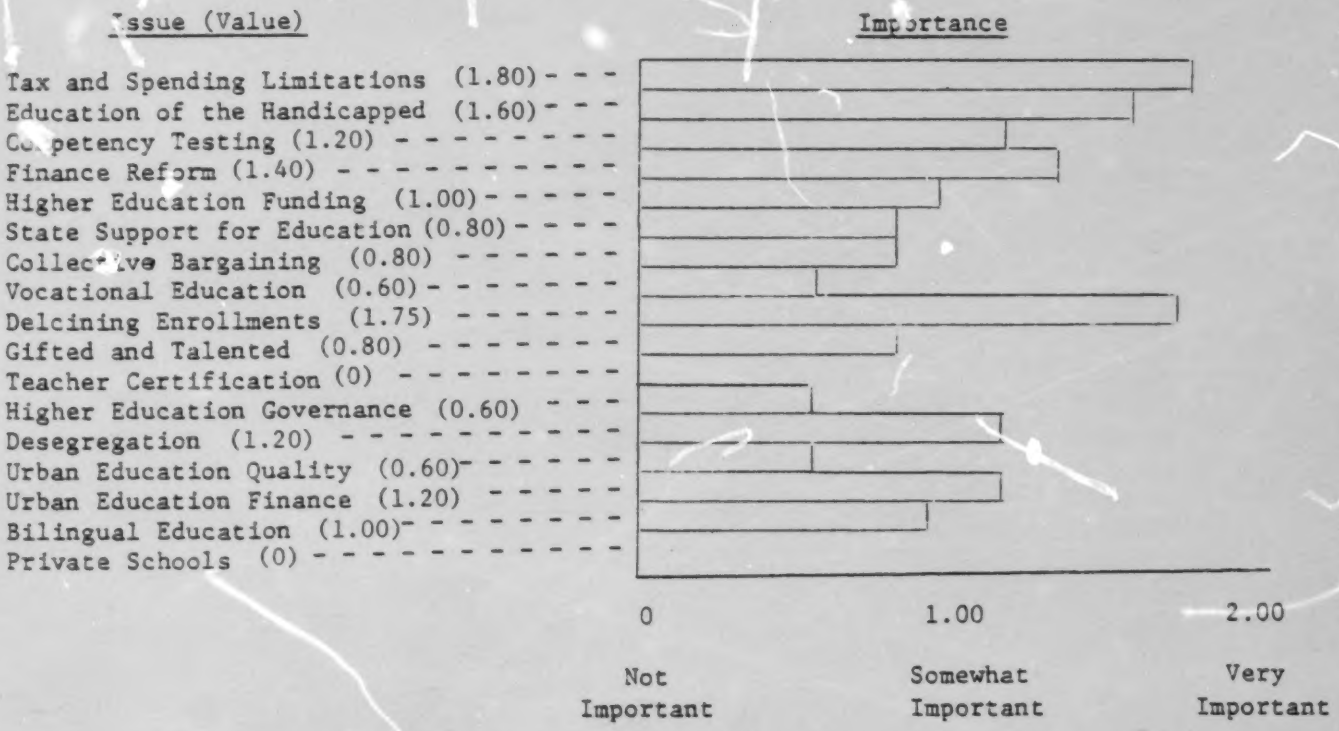


TABLE 3

MIDWEST AVERAGE
FOUR-STATE RANKING OF SEVENTEEN ISSUES

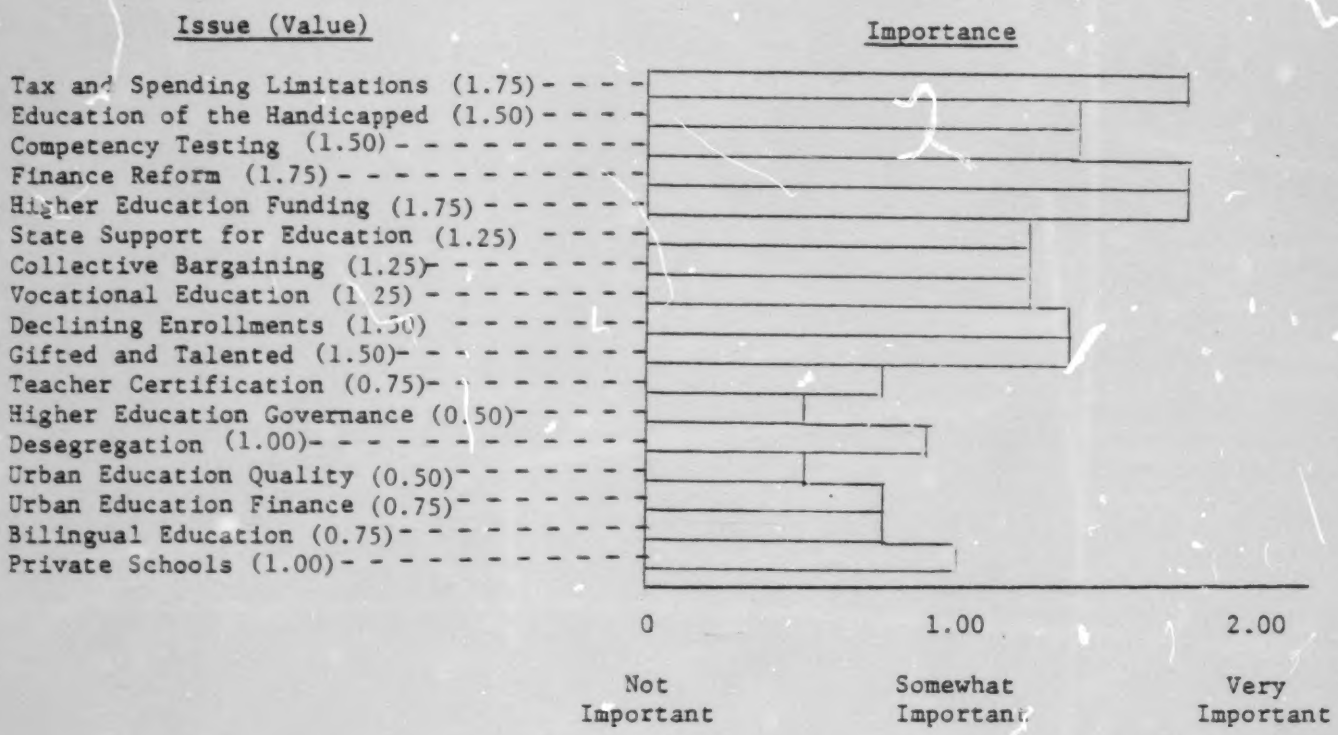


TABLE 4

SOUTHERN AVERAGE
SEVEN-STATE RANKING OF SEVENTEEN ISSUES

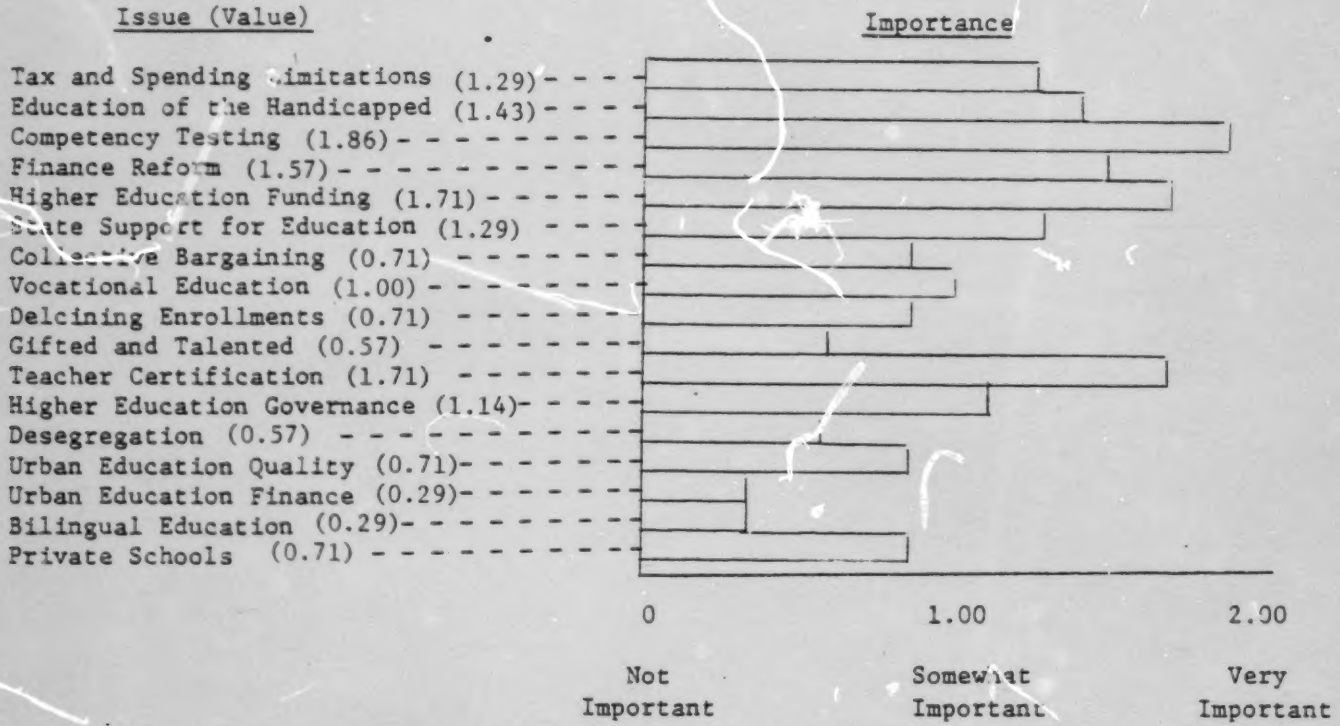


TABLE 5

NEW ENGLAND AND MID-ATLANTIC AVERAGE
FIVE-STATE RANKING OF SEVENTEEN ISSUES

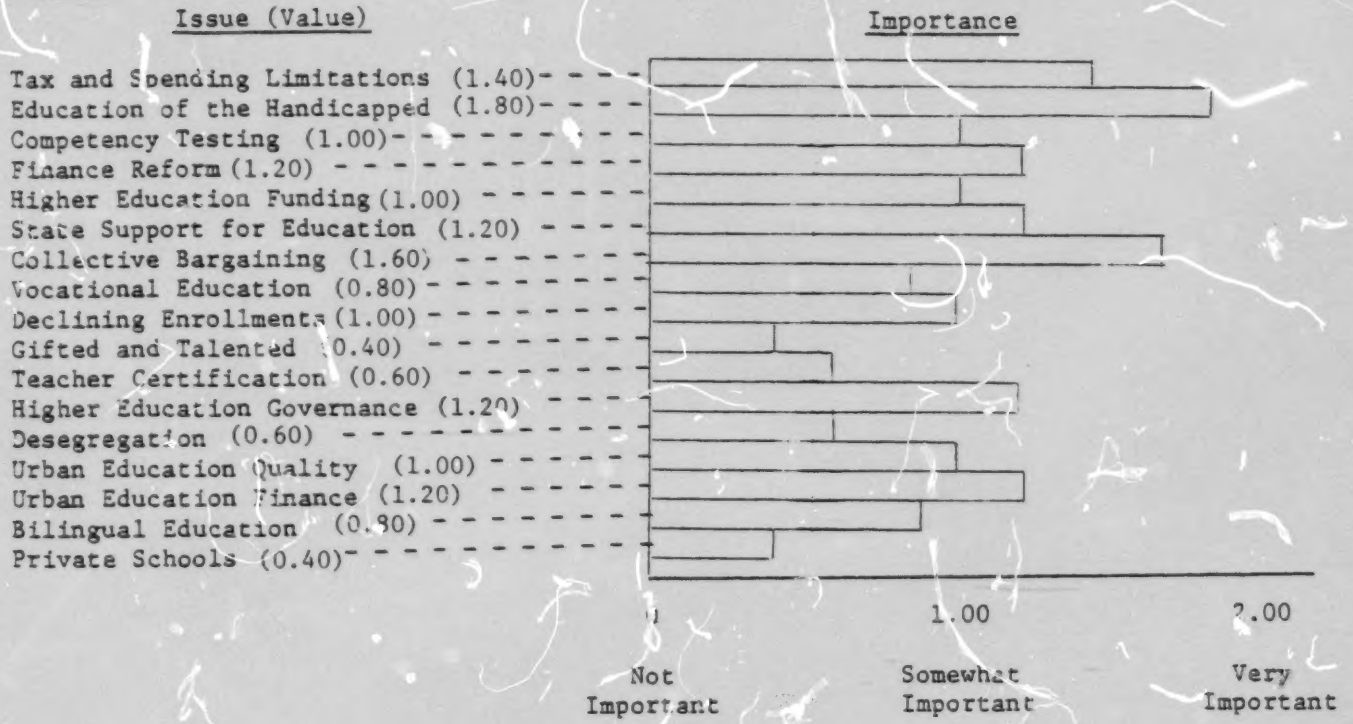


TABLE 6

BORDER AVERAGE
FIVE-STATE RANKING OF SEVENTEEN ISSUES

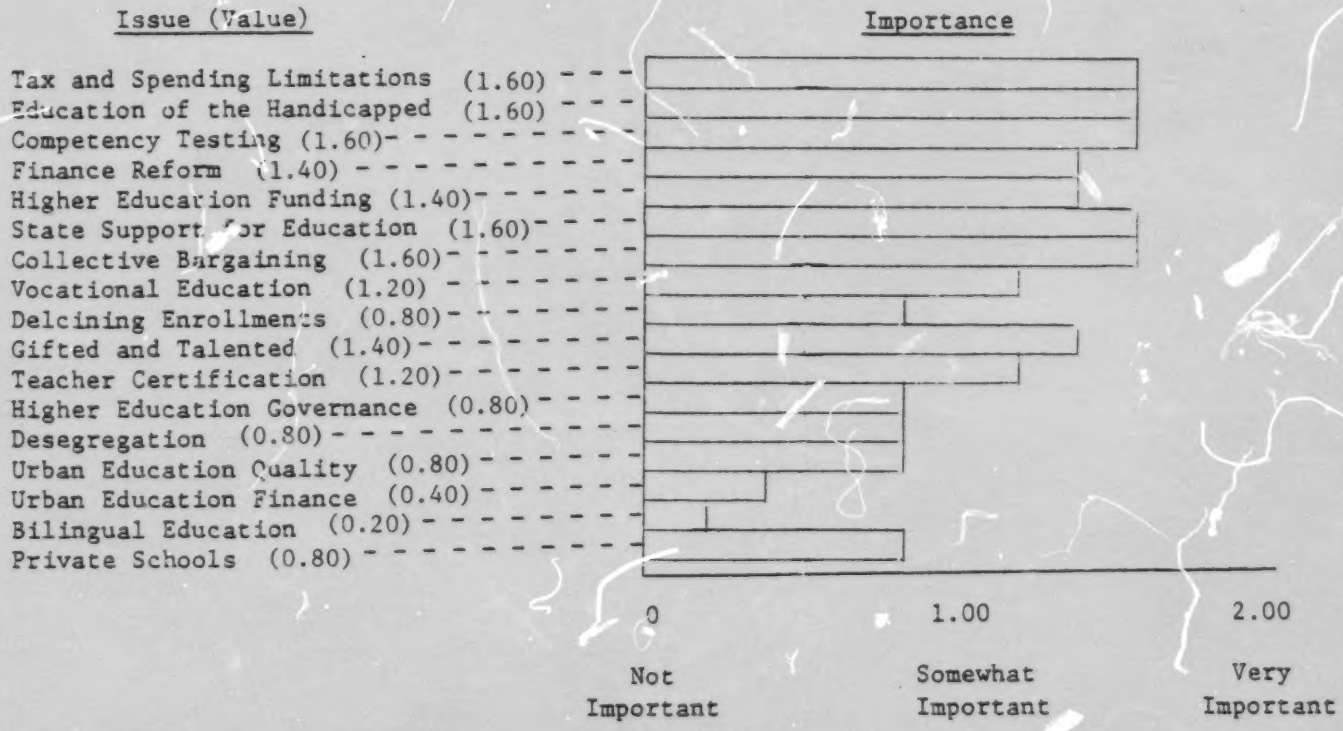
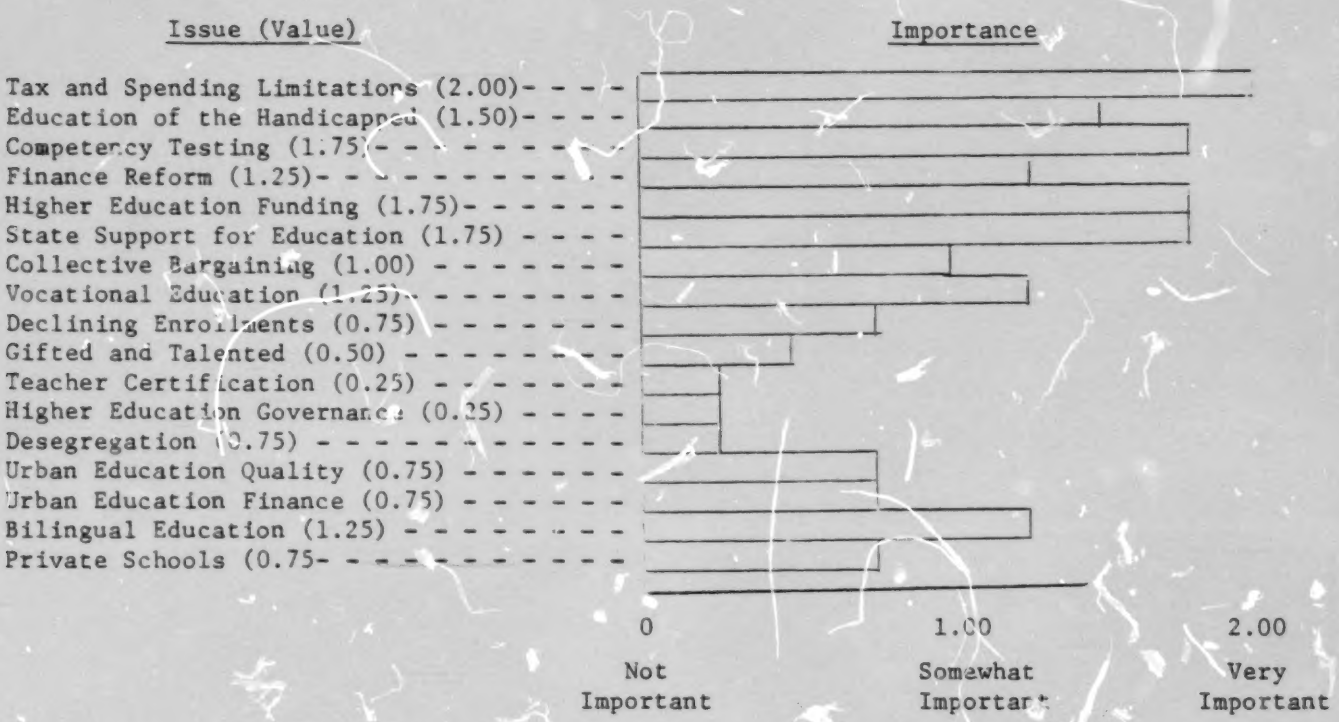


TABLE 7

WEST AVERAGE
FOUR-STATE RANKING OF SEVENTEEN ISSUES



Other issues ranked "very important" in at least some states were:

Urban School Finance	(3 states)
Bilingual Education	(2 states)
Quality of Urban Education	(1 state)

Table one shows how the importance of these issues was rated among the 30 states in the survey. (See page 8a)

Great Lakes States

Like the adjacent Midwestern states, the Great Lakes states are experiencing an economic downturn due to lagging auto sales and declines in manufacturing. The population number of these states is declining as well, as corporations close older factories and move jobs to the Sunbelt. The four most important issues facing educators in these states are the impact of tax and spending limitations, declining enrollments, education for the handicapped and school finance reform. (See page 8a)

Midwestern States

Many Midwestern states are suffering an economic slump and that slump is reflected in the concerns of the policy seminar coordinators. The respondents listed three fiscal issues -- tax and spending limitations, school finance reform and funding for higher education -- as the most important issues in their states. (See page 8b)

Southern States

The economies of many Southern states are booming as corporations move south to the Sunbelt to take advantage of lower tax rates and labor costs. As a result, Southern school officials don't face financial concerns as high as officials in other regions they are more interested in improving the quality of education than are officials in states whose poor economies have forced governments to cut back programs. The coordinators listed competency testing as the most important issue in their area, followed by funding for higher education, teacher certification and school finance reform. (See page 8b)

New England and Middle Atlantic States

Respondents from the financially strapped New England and Middle Atlantic states listed education for the handicapped as the most important issue in that region. Officials agreed that the high cost of the federally mandated programs posed a problem to many school systems. Collective bargaining, the impact of tax and spending limitations and school finance reform also were listed as very important issues by seminar coordinators in New England and Middle Atlantic states. (See page 8c)

Border States

Respondents from the border states said the impact of tax and spending limitations was the most important issue they faced. They were also concerned with education for the handicapped, competency testing and state support for education. (See page 8c)

Western States

California is the home of the tax limitation movement and Nevada and Oregon attempted to pass constitutional tax and spending limits last year. Western educational policymakers listed the impact of tax and spending limits as the number one issue affecting education, followed by competency testing, funding for higher education and state support for education. (See page 8d)

V. Tax and Spending Limitations: The Overriding Consideration

The SEPS Coordinators said the most important issue facing them was how to cope with legal limits on the states' taxing and spending powers.

Many factors limit a state's ability to tax and spend. In some cases, constitutional constraints limit the ability to generate revenue or increase expenditures. Political constraints often inhibit policymakers from raising taxes or increasing spending. Finally, a declining economy may cause a drop in revenues and thus limit the capacity to fund public programs. In the late 1970s, the states began to realize that their resources were indeed limited. This sense of limitation set the framework for education policymaking.

The most famous constitutional tax limitation in recent years is California's Proposition 13, which was approved by 65 percent of the popular vote in June 1978. Proposition 13, the "Jarvis-Gann Initiative," provides for: (1) a rollback of

property assessments to 1975 market values and a 2 percent per year limit on increases, (2) a limit on combined property taxes to 1 percent of true market value, and (3) a requirement for a two-thirds vote in the legislature to increase state taxes and a two-thirds popular vote to raise local taxes other than property taxes. It is estimated that Proposition 13 cut local revenues by $7 billion.

Fortunately for local governments and school districts in California, the state was then enjoying a substantial budget surplus in 1978 and the legislatures bailed out the localities with a massive infusion of state funds. Although Proposition 13 brought about cuts in local services, the cutbacks were not nearly as drastic as Proposition 13's opponents had originally predicted. In 1979, the legislature enacted a second bailout, again funded out of state surpluses, and most segments of education actually increased their spending over the preceding year. While the state appropriated more funds in 1980, there are increasing signs that California's budget surpluses are likely to evaporate in the face of a lagging economy. Local governments and school districts might yet be faced with the shortages that were originally predicted.

The tax limitation movement spread rapidly to other states. The most recent victory for the proponents of such limitations was the adoption of Proposition 2 1/2 in Massachusetts in November 1980. This enactment limits property taxes to 2 1/2 percent of market value, substantially below traditional levels in Massachusetts. It is expected that Propositon 2 1/2 will cut local tax receipts by $600 million. Unlike California in 1978, Massachusetts does not have a thriving economy. While the state will make some efforts to replace local revenues, it is too early to estimate the amount the legislature will spend to aid the localities. THe governor hs recommended only $27 million and a coalition of local governments and school districts is seeking $300 million.

The proponents of constitutional tax limitations were not successful in most other states. For example, Arizona voters defeated Proposition 106 by a three-to-one vote. Proposition 106 was a carbon copy of California's Proposition 13 and would have rolled back property assessments to 1975 levels. Michigan voters had their choice of three major tax cutting proposals in November 1980. The best known of these was the Tisch Amendment which would have required a 60 percent voter approval to raise state taxes. Michigan voters turned down all three proposals. During 1980, other tax cutting proposals were defeated in Nebraska, Nevada, Oklahoma, Oregon, South Dakota and Utah. But perhaps the most surprising loss was in California where voters turned down an initiative supported by Howard Jarvis which would have cut the state income tax by 50 percent.

Despite these 1980 losses, it is clear that the drive for constitutional limitations on governmental spending or taxation will continue to limit the growth of state and local spending to a fixed percentage increase. Other states are exploring proposals to limit spending increases to increases in personal income.

New Jersey has had substantial experience with spending limitations. New Jersesy law limits increases in spending by local goverments and school districts to a fixed percentage of the previous year's spending. To equalize spending among school districts, low spending districts are allowed to increase their spending as a somewhat faster rate than are high spending districts. This spending cap legislation was passed as part of a package to implement court ordered school finance reform. It is designed to serve at least three purposes.

First, the local spending caps are designed to limit increases in local property taxes. Prior to the passage of the law, New Jersey was dependent upon the property tax to finance public education. In order to pass the state income tax, which was necessary for the state to provide substantially more money for public education, the legislature had to guarantee some reduction in property taxes.

Second, since the spending caps allow low spending districts to increase expenditures somewhat faster than high spending districts, it was hoped that over a period of time, school districts would equalize per pupil expenditures.

Third, it was also hoped that the local spending caps would limit state spending. Robinson v. Cahill (the New Jersey school finance case) was interpreted to mean that the state must provide at least 40 percent of the costs of public education. By limiting local school district spending, the state would limit the growth of its own spending.

Observers indicate that, with some exceptions, the spending caps have worked as designed. There has been some property tax relief and the growth of state spending has been limited. However, the caps have been less successful in encouraging equalization. The revised state subsidy formula has brought about greater equalization. However, the traditionally low spending districts continue to set lower tax rates and assessments than do the high spending districts. In other words, low spending districts spend less, at least in part, because they want to spend less.

While the spending caps are reported to be popular with New Jersey state officials, there is mounting local criticism. School officials from wealthy suburban districts oppose the caps, arguing that their constituencies want to spend more for schools and are willing to pay higher taxes to do so. In addition, Atlantic City officials argue that they are unfairly affected by the caps. Casino gambling has increased the tax base in Atlantic City and, at the same time, has created a need for a higher level of public services such as law enforcement and fire protection. The spending caps, according to local officials, make it impossible for the city to meet these demands for increased public services.

While the New Jersey legislature has been reluctant to alow exemptions to the spending caps, some observers believe that exemptions will be made in the near future. Whether the spending cap will be effective if numerous cities and towns are exempt from it is not clear.

State officials throughout the coutnry generally oppose constitutional tax and spending limitations; however, many officials have bowed to public pressure and proposed tax reform. In Nevada, where a Proposition 13 type proposal was defeated, the governor recommended major reductions in property taxes. The reductions--estimated to be as high as 75 percent--would be compensated for by a sales tax increase. Similarly, Oklahoma Governor George Nigh, while opposed to constitutional tax limitations, has proposed a major tax reduction. The Oklahoma situation is somewhat unusual in that the state has enjoyed substantial budget surpluses over the past several years.

In Pennsylvania, the Joint Government Study Commission has recommended phasing out most residential property taxes and replacing them with local income taxes. The state legislature will consider the proposal but no action is expected this year.

If the tax limitation movement has encouraged tax reform, a lagging economy in some states may slow down that movement. Alabama, for example, is anticipating tax collections to fall up to 10 percent. Similarly, because of drops in tax collections, Minnesota is undergoing 10 percent budget recessions. Michigan has seen cutbacks of up to 20 percent. Consequently, these states are trying to maximize current collections rather than seek basic reform.

Finally, inflation is a major factor affecting educational policy. Its importance is perhaps best exemplified in Pennsylvania, where, despite a proposed $50 million state increase in the school subsidy appropriation, the state's share of the cost of education actually will decline from about 43 percent to 41 percent.

These economic factors shape the ways in which the state respond to education issues, especially school finance reform, but other issues as well. The following chapters, exploring how the states are responding to education issues, will demonstrate the importance of these varying economic conditions.

VI. School Finance Reform: A Continuing Issue

Modern school finance reform has been an issue in the 1970s since the Serrano decision of 1971. In the Serrano case, the California Supreme Court held that a system of school finance that bases educational spending on the resources of local school districts is unconstitutional.

While the United States Supreme Court rejected this argument in San Antonio School District v. Rodriguez, litigation in state courts continued and many state courts found existing school finance laws to be constitutionally deficient. All these decisions mandated greater equalization in per pupil expenditures, requiring substantially more state funding for education.

In Oklahoma, two forces combined to push school finance reform issues to the top of the legislature's agenda. First, a suit challenging the existing system was filed by a coalition of school districts, lead by Norman and Oklahoma City. At the same time, a citizens commission, supported by the National Conference of State Legislatures, worked to draw up a school finance reform proposal.

In Georgia, the state supreme court struck down that state's school finance formula and gave the legislature two years to enact an acceptable plan. In New York, the state supreme court struck down the state's school finance law in Levittown v. Nyquist on the grounds that the formula did not properly take into account the tax burden on the municipalities and the special educational needs of the larger cities. And both Maryland and South Carolina saw their school finance plan taken to court.

Despite the differences in specific cases, two general conclusions can be offered. First, litigation continues to play a major role in stimulating school finance reform. Early court decisions in California and New Jersey did not resolve the issue of school finance for other states. In the words of a recent Education Commission of the States report on school finance, school finance litigation is quite alive and very healthy. Second, school finance reform is not something that can be done and then forgotten.

The most dramatic impact of school finance reform has been the increase in state support for education. According to an ECS study of fifteen states that reformed school finance during the 1970s, the state share of the cost of education more than doubled. The ECS cautions that "whether" school finance reform 'caused' these fiscal changes can be debated: but the relationship is unmistakable. In those states that passed and funded major school finance reforms during the 1970s, state aid more than doubled and the percent of funds from state sources

nds from sources increased significantly.[1]

ore

[1]School Finance Reform in the States: 1980

A second result of school finance reform was a reduction in disparities in per pupil expenditures. However, because of varying school district wealth, substantial disparities continued to exist.

Third, school finance reform has sometimes been used as the vehicle for tax reform. In several states, the price for substantially increased state aid has been some sort of limit on local property taxes or spending. For example, the New Jersey spending caps, previously discussed, were an attempt to provide local property tax relief. And under Washington state's new school finance law, the legislature attempted to hold down local district spending by limiting increases in teachers' salaries.

Perhaps the most lasting impact of state school finance reform will be increased state control of education. Many states tied a higher level of state aid to increased state requirements. For example, as part of its school finance reform package, New Jersey required statewide student competency testing and local district planning. California used school finance reform to develop an omnibus education bill that expanded student testing and added categorical programs. Connecticut's school finance law specified curriculum changes and new state processes for monitoring local education agencies and required local district planning.

The Connecticut school finance reform is among the most interesting because, unlike some of the school finance reform efforts of the early 70s where the states had budget surpluses, Connecticut was in relatively poor financial condition. The following case study of Connecticut's experience with school finance should be instructive to those states attempting reform under financial constraints. As Ivan Backer points out, school finance issues are likely to dominate Connecticut's agenda for years to come. A decision to reform school finance has a ripple effect that has implicaitons for state tax policy, state-local relations and educational administrative structure. Thus, while school finance reform may begin as a civil rights issue, it soon involves a wide variety of educational, political and financial issues.

School Finance Reform in Connecticut: A Case Study[2]

Background

[2]This section was prepared by Ivan A. Backer, President and Director of the Southside Insititutions Neighborhood Alliance in Hartford, Connecticut, and the Coordinator of the Connecticut Educational Policy Seminar.

In the wake of Serrano and Rodriguez, the initial court cases challenging school financing in the early 1970s, an attorney in Connecticut filed suit in a state court charging that his young son, Barnaby Horton, was being denied an education equal to that received by children in wealthier towns. In 1974, the Superior Court in Hartford, in Horton v. Meskill, found that school funding practices in Connectiuct were discriminatory and therefore illegal. The state appealed the decision to the Connecticut Supreme Court.

The suit prompted Connecticut's General Assembly to address the problem of financing schools more equitably. In 1975 the legislature endorsed the recommendations of a study commission and adopted a Guaranteed Tax Base (GTB) program. Its intent was to provide additional state aid to poorer communities, attempting to equalize the per pupil expenditures among the state's 169 towns. Minor relief was provided beginning in 1976 when the state assigned revenues from an instant lottery to education. Not until 1977 did the state supreme court decide the case by affirming the lower court ruling. It gave the General Assembly a reasonable time to act, but when the legislature took no action in 1978, the Supreme Court set a deadline of May 1, 1979 for legislative action.

The court decision was a prerequisite to significant legislative action. The Governor, long considered a friend of education, feared the fiscal implications of school finance reform and took no initiative. The major backers of reform were individual legislators, mostly from the legislature's Education Committee, the state Board of Education which recognized the opportunity to improve education and which possessed the necessary information and technology, and local municipalities which wanted to lower their property tax rates and gain more state dollars.

Consensus among these three parties was achieved in a broadly representative 25-member School Finance Advisory Panel, including legislators, that for 18 months probed complex finance and educational reform issues. Its detailed recommendations formed the basis of An Act Concerning Equalization of Educational Financing and Equity in Educational Opportunity that became effective July 1, 1979.

School Finance and Educational Equality

In Horton v. Meskill, the court was concerned with both better schooling, requiring "the state to provide a substantially equal educational opportunity," and better financing to equalize the ability of towns to pay for improved education. This mandate relating equity in education to equity in taxation lies at the heart of Connecticut's wrestling with school finance reform.

The debate is further complicated in Connecticut because the school districts are fiscally dependent upon the communities they serve. Local boards of education must request their funding from governing municipal bodies and cannot receive funds directly from the state. The first GTB formulas, enacted prior to the Court decision, had as their chief objective the equalization of tax effort at the local level. Additional state funds could be used, therefore, for either local property tax relief or to increase school budgets, or some combination of the two.

The complex formula for calculating the GTB was based on three factors: (1) the town's ability to pay -- a combination of its property wealth and the income level of its population; (2) the extent of the local effort in supporting education; and, (3) the educational need of the town, as measured by the number of pupils in the district and one-half again the number of children on AFDC. The GTB plan distributes funds so that each town will have the ability to support its schools at the same level as the ninth wealthiest Connecticut town.

The 1977 Court decision posed the problem of ensuring state GTB funds be used for education and not for tax relief. A Minimum Expenditure Requirement (MER) was enacted that enables the state Department of Education to set a minimum per pupil expenditure figure for each district, based on the amount spent on the median pupil in the state two years earlier, adjusted for AFDC students. In addition to MER, the GTB formula provides an incentive for spending more on schools and a disincentive for spending less. The extent of the "local effort" is a factor in the size of the GTB grant for the following year.

The GTB formula and MER are only the tools through which the fiscal part of equalization can occur. They equalize the ability of each town to pay for schools at a prescribed level. But reaching the mandated level of the ninth wealthiest Connecticut town requires a large influx of state dollars to bring the poorer school districts to acceptable levels. The legislature chose a five-year phase-in period to reach its goal. Whether Connecticut can achieve its mandated equalization program without restructuring its tax system remains to be seen. Connecticut does not have a state income tax.

A third aspect of the court's decision required the guarantee of educational eqity. It cannot be assumed that fiscal equity will automatically result in equal educational opportunities for all children. The equity legislation, therefore, establishes a planning-implementation-evaluation process designed to ensure that each child in the public schools has an equal opportunity "to receive a suitable program of educational

experiences," as guaranteed by the state constitution. Again utilizing a broadly representative advisory committee, the state Board of Education has designed and adopted a five-year Comprehensive Plan for Elementary and Secondary Education. Elements of the plan include goals and objectives for educational agencies at the state and local levels, a definition of basic program offerings for all public schools, and procedures for oversight and remedial intervention by the state Board of Education if a local school district fails or is unable to implement the prescribed goals and programs.

The issues of equity, both fiscal and education, have not been resolved completely. The legislation and regulations are all first steps. Success will depend on several factors, all of them political in nature.

The Political-Fiscal Context

Governor Grasso was elected in 1974 on a pledge that she would not support a state income tax -- in fact, she would veto it if the legislature adopted one. That promise was made again in her successful re-election campaign in 1978. The Connecticut tax base, therefore, is heavily dependent on the property tax, a 7 1/2% sales tax on almost everything, a tax on dividends, and many excise taxes. The tax base is not elastic enough to generate adequate revenues, and each year produces an ingeniously balanced budget with some services cut or their funds curtailed because the budget did not allow for inflation.

The court-ordered increase in the GTB-funded support for schools is the largest new expenditure each year. The legislature, sharing Governor Grasso's opinion on the income tax, has already spread the GTB phase-in period over five years. In the first year, fiscal '80, the full amount was appropriated. In the second year, the GTB funds were cut by about 25 percent. In fiscal '82 the plan calls for an appropriation of $96 million and that amount was included in the first draft of the governor's proposed budget. However, she rejected that budget and it is not known what figure finally will be included. In the legislature there is some talk of putting a moratorium on any school finance increase, and there is uncertainty as to how much will be appropriated.

Governor Grasso resigned on December 31, 1980, due to illness, and her successor, William A. O'Neil, appears to be following her lead on this question.

While the state is attempting to give less to the towns for education, the muncipalities are battling for the GTB and more. Relying almost solely on real property taxes, the ability of towns to raise revenues also has been curtailed. Since approximately 80 percent of the funds each muncipality receives from the state is through the GTB formula, these monies are a real increase in the state funds for many towns and they feel GTB has been a significant improvement. They intend to fight for the additional GTB funds to which they are entitled. But, this is likely to become a perennial conflict in which each feels the other should do more.

Another major political conflict centers on local control of education. The autonomy of local boards of education in Connecticut has a long and strong tradition. The legislature's authorization to monitor educational equity is strengthening the role of the state Depatment of Education. The local boards fear their autonomy will be reduced. While there is discussion about a "meaningful partnership between local and state educational agencies," there is still much distrust and deeply ingrained suspicion on both sides.

Conclusion

The issue of school finance and educational reform will not be resolved for a long time in Connecticut. Some of the basic procedures for resolving the issue are in place: the court decision, GTB formula, MER, the Comprehensive State Education Plan. Most current state educational leaders feel that Connecticut is on the right track, and progress, be it slow, has been made.

But others are not satisfied. The original plaintiff, Barnaby Horton, went back to court in May 1980, after the legislative session did not appropriate the full amount to GTB funds for the '81 fiscal year. The towns of Hartford, Greenwich and Darien have joined in the suit against the state.

The actions of the legislative session will also be telling. Will the legislature approve the full $96 million in GTB funds originally projected for fiscal '82? Will the General Assembly approve several proposals to fine tune the GTB and MER program? An Educational Equity Study Committee was authorized in the 1980 legislative session to review the progress of the equity plan. One of the committee's recommendations would increase the MER level from the state median to the per pupil expenditure of the 75th percentile. The towns are sure to object.

The implementation of the education equity segment need not be completed until 1982. Some planning is in progress at the local level as a result, and skillful superintendents and board members are using the state mandated regulations to face critical problems: falling enrollments, school closings, program evaluations, low pupil achievements and staff development.

Officials will still be wrestling with school finance and educational reform in Connecticut for several years in spite of the significant progress that has been made. The decisions of the Supreme Court in the continuing rounds of the Horton v. Meskill case will be crucial. Also important will be the politics of state finance and taxation and the dynamics of the state versus local control struggle. While there are still many questions to be resolved, the basic legislation reforming school finance is in place. The open questions are basically subsidiary ones dealing with implementation. These will be resolved, over a period of years, although an occasional prod from the court may be required. The demands of fiscal equity for the support of schools may yet generate an overhaul of the state's tax structure and usher in a graduated state income tax.

VII. Urban Education: a Growing State Concern

Although urban education ranked low on the seminar coordinators' list of concerns, it is a pressing problem in large cities all over the country, where mayors and boards of education are struggling with rising costs and declining tax bases. Financial issues such as the impact of tax and spending limitations and school finance reform, coupled with the declining tax base of many American cities, created a new state concern with the financial stability of urban school systems, especially in Illinois, New York, Ohio and Pennsylvania.

In Chicago, as in many big city school districts, enrollments declined steadily during the 1970s, from 573,000 in 1971 to 477,000 in 1979. Few schools were closed, however, and the teaching staff was not significantly reduced. Chicago's problems were complicated by a desegregation plan that was estimated to cost as much as $50 million. The federal government cut off or delayed funds because the voluntary desegregation plan was not satisfactory to federal officials. Finally, Chicago suffered economically when the state repealed the corporate personal property tax, denying Chicago almost $30 million a year.

The Chicago school system's financial problems surfaced in November 1979 when no takers could be found for $124.6 million in bonds that the district needed to meet current obligations. Teachers were not paid, leading to a strike that closed the schools and, ultimately, brought about the resignation of School Superintendent Joseph Hannon.

Illinois Governor James Thompson rejected a plan to loan money to the school district and took the lead in negotiating a plan to create a School Finance Authority that could issue up to $800 million worth of bonds to bail out the schools. The price for this infusion of financial aid was considerable. First, Chicago school officials were forced to cut expenditures by $60 million for 1979-80 and by $160 million for the 1980-81 school year. Second, the entire membership of the Chicago School Board was forced to resign. Finally, the school board lost considerable power to the new School Finance Authority. The Authority is made up of two members appointed by the governor and two by the mayor, with a fifth member selected by the other four. It controls the finances of the Chicago schools. The Authority was empowered to remain in existence for the life of the bonds, 33 years or until the year 2013.

The financial problems of the Philadelphia public schools are not nearly as severe as those of Chicago. Philadelphia schools were already under the monitoring eye of a coalition of city banks that a few years ago demanded substantial authority over school district expenditures as a condition of making loans to the schools.

But even under the watchful eyes of the bankers, the financial situation of the Philadelphia schools deteriorated. In order to balance the budget for the 1980-81 school year, the school board overestimated revenues and found itself unable to finish the school year without $30 in new funds. Citizen groups and members of the business community contested the school district's power to borrow the $30 million. School district representatives claimed that if they were unable to borrow the money from the state they would be forced to seek an advance payment of school subsidy funds from the state.

To complicate its financial situation, the school district estimated that it was at least $223 million short in its 1981-82 budget.

The financial aspects of the situation were quite complicated. Governor Richard L. Thornburg claimed that the state had increased its share of the costs of Philadelphia public schools from 51 percent to an excess of 60 percent. The legislature did not appear willing to provide more money for Philadelphia unless the city raised taxes. But the most interesting developments involved the administration of the school system.

William J. Green, the mayor of Philadelphia, called for the resignation of the school board, all of whom were appointed by his predecessor, Frank Rizzo. A state legislator introduced legislation that would make the superintendent of Philadelphia schools a member of the mayor's Cabinet.

Ohio, with several large cities spread throughout the state, has had more experience with the deteriorating financial condition of urban education than most states.

In the late 1970s several Ohio school systems were forced to shut down for varying periods of time because of budget deficits. During this period Ohio law required balanced budgets and voters were not willing to approve tax increases to support the schools. Cleveland schools closed for four to six weeks in 1978, 1979, and 1980 because of budget deficits and teacher strikes.

To deal with this problem the state legislature made mid-year closing unlawful and created the Emergency Education Loan Bank. During 1978-1979, ten school districts obtained loans that enabled them to stay open. During 1979-80, two districts received loans.

In addition, Ohio increased its educational spending by $650 million for the 1980-81 biennium and the governor proposed an additional $300 million for the 1982-83 biennium. Despite this almost $1 billion increase, the state's share of the cost of public education actually declined somewhat for fiscal year 1982 and will not return to its previous level until 1983.

Thus, Ohio finds itself in a position similar to Pennsylvania: increased state spending for education providing a smaller percentage of the total cost.

In both Chicago and Cleveland, state loan programs propped up deficit-laden school systems. And in both cases, the state programs forced major cuts in local school spending. Chicago pledged to cut spending by $320 million over two years and eliminated 1,500 teaching jobs. Cleveland closed 30 schools and dropped nearly 2,000 teaching positions.

In Chicago, Cleveland, and Philadelphia guaranteed loans and cutbacks in programs were temporary expedients. The cities faced escalating education costs (despite declining enrollments) and a declining tax base. As one Philadelphia school administrator reported, "We cut the fat several years ago; now we are cutting bone." The 1970s demonstrated that the urban education problems first felt in the 1960s were never resolved. The 1980s are likely to demonstrate that if these problems are to be solved at all, they will be solved not at the local or national level, but in state policymaking arenas.

It is not finances alone that can cause state intervention in the affairs of urban school systems, as is demonstrated by recent events in New Jersey. Prior to Robinson v. Cahill and subsequent reform legislation, local home rule was a strong tradition in New Jersey. But as part of its reform package, the state enacted legislation that required local school district planning and provided for state monitoring of local plans. It was part of New Jersey's attempt to create "a thorough and efficient system of education" as required by the court decision.

In 1977, the New Jersey Department of Education began to monitor the activities of the Trenton school system after charges that its educational programs were seriously deficient. During 1978 Trenton prepared a plan to remedy the alleged deficienies, but the plan was never put into effect. Consequently, in late

1979 the state department held that the Trenton schools were lacking in several specific areas: education of the handicapped, affirmative action, bilingual education, and the submission of required reports. It also found that the schools had serious budgetary, administrative and safety problems.

As a result of these findings, the state department appointed a "monitor general" to oversee the implementation of appropriate remedies. The Trenton school board challenged the state department's intervention but the monitoring process was upheld by the courts in late 1980.

The state department's action was controversial and was the only such intervention up to that time. However, there is growing concern with the quality and operations of city school systems in New Jersey. Observers indicate tht the Trenton experience prodded other districts to improve programs. They also report that they would not be surprised to see similar actions in other urban districts.

While the New Jersey experience may be unique, it does suggest that both financial and educational issues may force some states to take an expanded role in urban education.

VIII. The Education of the Handicapped: A Lesson in Federal-State Relations

When asked to identify the most controversial piece of federal education legislation, the State Education Policy Seminar coordinators pointed overwhelmingly to the Education for All Handicapped Children Act (Public Law 94-142).

According to the coordinators, state officials dislike three aspects of the law: (1) administrative issues, especially those concerning the "related services" provision of the law, (2) financial problems, including both the escalating cost of special education and the failure of the federal government to appropriate adequate funds, and (3) the increase in litigation about the meaning of P.L. 94-142.

The administrative issues stemming from the act are both symbolic and real. According to some respondents, state officials still are angered by what they consider a lack of recognition of the significant state actions on behalf of the handicapped prior to the enactment of P.L. 94-142 in 1975. For example, in Connecticut, special education programs were mandated in 1967; Florida and Oregon passed similar legislation in 1973,

followed by Missouri in 1974. Many of these statutes anticipated the federal law and provided for due process hearings, individual education programs and minimally restrictive environments for handicapped students. Many state officials continue to feel that Congress could have written a more flexible federal law to accommodate these state differences.

A more serious administrative difficulty involves the role the federal law assigns to state departments of education, especially as it concerns the provision of related services. P.L. 94-142 makes state's departments responsible for developing, monitoring, implementing and evaluating state programs for the education of the handicapped. As part of these responsibilities, state departments must provide related services to enable handicapped children to benefit from special education. In some states, considerable difficulty arose because the state departments of education lacked authority over agencies that normally provided related services. Some states have been quite successful in forging interagency agreements to provide such services, but other states have encountered problems because there is little incentive for other agencies to cooperate. For example, mental health agencies are already hard pressed to provide services to those seeking treatment and tend to see the needs of handicapped school children as the concern of the schools alone.

The role of the state department of education in administering programs for handicapped students also created some tensions between state and local school administrators. To some extent, the state became the classic "man in the middle," pressed by the federal government to comply with the federal law and pressured by local school districts to be more flexible and provide more resources. In some states with traditionally strong departments of education, this has not caused great problems. But in other states, where the state department is primarily a service agency, tension has developed. In this sense, P.L. 94-142 is a good example of how federal law can bring about changes in state governmental and political traditions and structures.

But the greatest concern about P.L. 94-142 -- indeed, about the education of the handicapped generally -- is financial. First, it is worth pointing out that the law promised 30 percent federal funding by fiscal year 1981, a level that has never been reached. State and local governments have borne most of the increased costs of educating handicapped children. In fact, a 1979 study by the Education Commission of the States found that, of the excess costs associated with special education, the states contributed 64 percent, the local school districts 30.1 percent, and the federal government only 5.9 percent. According to the

ECS study, in Tennessee, New Jersey and Iowa these excess costs are divided evenly between the state and the local school districts. In other states, such as Oregon, Colorado and New Hampshire, the local districts carry the largest portion of support.

Pennsylvania faced special problems in this area. Under state law, the Commonwealth is responsible for all additional costs associated with the education of the handicapped. Recently, the secretary of education, with the support of the governor, proposed several changes in an attempt to hold down the costs of special education and, at the same time, force local school districts to bear a portion of the expense. There appears to be considerable opposition to this specific proposal.

A third concern of state policymakers is the growing tendency of parents of handicapped children to go to court to determine the meaning of P.L. 94-142 and define the educational rights of the handicapped.

For example, a recent Pennyslvania decision required the Commonwealth to provide more than the traditional 180 days of schooling for the severely disabled. The court found that such children tend to lose the benefits of education during the long summer recess. Similar suits have been filed in California, where Proposition 13 threatened all summer school programs, and in Georgia.

A second area in which there is growing litigation involves disciplinary actions taken against handicapped school children. For example, decisions in Connecticut, Colorado, Pennsylvania, South Carolina and Georgia all have reversed suspensions or expulsion of handicapped students that followed regular procedures. In the Connecticut case, while the U.S. District Court upheld the authority of a local school district "to take swift disciplinary measures against disruptive handicapped children..." the court added that a "...child's placement can only be changed through a review of the child's special education program and a determination of whether a child's present placement is appropriate."

Many other cases have been filed dealing with various issues, including the use of intelligence tests, alleged racially discriminatory placements, and the range of services that must be provided to the handicapped. But perhaps the most interesting development has been litigation that challenges overall state programs. The following case study by Dr. Milton Baxter of a lawsuit in Mississippi shows the power of litigation to bring about changes in the education of the handicapped.

As Dr. Baxter demonstrates, the case of Mattie T. v. Holladay did not end the controversy over special education in Mississippi. The suit shows that courts may play as significant a role in this area as they have in other aspects of education. It also indicates that judicial interventions are unlikely to be one shot affairs, but that the courts will continue to oversee the implementation of their orders.

Public Law 94-142 has brought about change in the education of the handicapped. More students are being educated, more money is spent on special education, and the states and local school districts have become more familiar with the educational requirements of handicapped children. More new issues are raised by the law than it resolves. Problems continue with the administration of the law, with paying for costly programs and with responding to court orders. The education of the handicapped poses a challenge to American federalism: Americans must decide how we can be flexible enough to allow for state-to-state variations in educational programs and at the same time not neglect the handicapped in the political struggle over scarce state money.

Education of the Handicapped in Mississippi: A Case Study[2]

In a consent decree approved by the U.S. District Court for the Northern District of Mississippi on February 22, 1979, the state of Mississippi agreed to make changes in its policies on educating the handicapped to bring them in line with P.L. 94-142, the federal Education for All Handicapped Children Act. Mattie T. v. Holladay was a comprehensive challenge to deficiencies in Mississippi's special education system. The case was filed in 1975, won in 1977, and a remedial compliance plan was agreed upon in 1979. However, the struggle to provide appropriate and special education that does not discriminate on the basis of race continues.

Background

The Mattie T. case began when a black handicapped child was expelled from school in 1974. A local group in Jackson, Mississippi, contacted the Children's Defense Fund to seek its assistance in helping this child return to school. Although this effort was successful, the Fund learned at that time that there were large numbers of handicapped children in Mississippi who were being denied an appropriate education. The children could be divided into four categories:

[2]This case study was prepared by Dr. Milton Baxter, the chairman of the Department of Curriculum and Instruction at the University of Southern Mississippi in Hattiesburg, Mississippi and the coordinator of the Mississippi Educational Policy Seminar.

1. Children entirely excluded from school who were at home without any instruction.
2. Children in regular classrooms who needed special education classes and were not receiving them.
3. Children placed in segregated special education classes that did not meet their needs.
4. Black children who had been classified mentally retarded when in fact they were not and placed in segregated special education classes.

On April 25, 1975, the Mattie T. case was filed as a class action on behalf of 26 children in six school districts located throughout Mississippi. The class was defined as all school-aged children in Mississippi who were handicapped or who were regarded by their schools as being handicapped. The defendants were officials of the State Department of Education, the State Board of Education, and the officials and boards of education of the school districts where the plaintiffs resided.

Court Decision

After two years of investigation, the case was presented to the judge for a decision. On July 28, 1977, the district judge ruled that the state of Mississippi had violated the rights of the children in the plaintiff class in each of the four areas charged: child find, procedural safegaurds, least restrictive environment, and nondiscriminatory evaluation and placement. The judge required the state to submit a plan to bring it into compliance with the federal law. This plan would remedy each of the violations.

The state worked for a year before developing an acceptable plan. Even after this length of time, the Children's Defense Fund believed the plan was not adequate to remedy the problems found by the court. The judge approved a consent decree after months of negotiations in February 1979.

The comprehensive consent decree specifies many policies and procedures to be adopted by the state in each of the above four areas. The state is required to reduce the racial disparity in its EMR and SLD classes. Second, the state must have experts evaluate and make specific recommendations regarding the policies and procedures for classifying and placing children. Third, after the new policies and procedures are drawn up, the State Department of Education must conduct a two-year teacher training project to train teachers and administrators to implement the new system. Fourth, children previously misclassified as retarded who are in school but not making sufficient progress, or who have dropped out of school, must be identified and given compensatory education through tutoring or vocational training, even beyond age 21.

The consent decree requires the state to comply with the federal law and draw up a plan that ensures that the state will locate children needing special education, test them without discriminating on the basis of race or culture, notify their parents before they are placed in a program, give them the opportunity to request a hearing on the placement and assign the children to the least restrictive environment. Mississippi is to develop and implement a state plan to insure children's rights.

Political Context

In recent years, the state of Mississippi has had to reduce its spending. The state constitution does not permit a deficit budget. Therefore, an extremely large expenditure, such as would be required to educate all handicapped children, creates a political problem, pitting interest groups against the state legislators. At present, the legislature has not appropriated any money because it is involved in a broader struggle over equalization of assessment of property taxes.

The major participants involved in the struggle over special education are legislators, the State Department of Education, and interest groups respresenting handicapped children. In general, the State Department of Education is not perceived as an advocate for handicapped children. The interest groups believe reform will take time and a great deal of political pressure.

The governor of Mississippi is clearly a friend of education, and while the legislature should not be considered anti-education, its conservative stance on various educational issues suggests that leadership is more likely to come from the governor.

The Mattie T. issue is far from over. Racial problems continue and Mississippi's school finance problem must be settled. For these two reasons -- the legacy of race and the need to achieve school finance reform -- the consent decree represents more the beginning of an issue than its resolution.

IX. School Desegregation: A State Responsibility

Relatively few State Education Policy Seminar coordinators identified school desegregation as a "very important" state issue compared with other issues. Rather, it was viewed as an important issue only for local school districts (especially big city school districts) and certain federal agencies (especially the Office of Civil Rights and the Justice Department).

Paradoxically, the recent report of the National Task Force on Desegregation Strategies urged the states to take a greater leadership role in achieving school desegregation. According to the report, "As the 1980s begin, the single most promising strategy for progress in school desegregation may well be that of the state initiative."

As this decade begins, it is unclear whether school desegregation will continue to be perceived as a local problem or, as the National Task Force recommends, the states will assume more leadership.

Since the 1954 school desegregation decision in Brown v. Board of Education, the record of the states has been mixed. Some southern states, especially during the late 1950s and early 1960s, used their authority to frustrate school desegregation even when local school authorities were willing to comply. Several northern states passed laws condemning segregation but rarely used their authority to encourage school desegregation. School segregation became a northern, as well as southern issue at about the time that suburban areas began to be the dominant force in many northern state legislatures. Because the suburbs were largely white, there was little impetus for the states to become involved in school desegregation struggles which created a "no win" situation for political leaders.

In more recent years, states have taken a variety of actions on desegregation. For example, in 1979, California voters adopted Proposition I, which required California courts to order student reassignment for racial balance only when there was evidence that local school authorities segregated schools intentionally. Proposition I was upheld by the California courts, which reversed a massive school desegregation busing order for Los Angeles that had been in the courts since 1970. According to the court, the school board was still required to desegregate the schools, but it did not have the option of reasigning pupils.

School desegregation is unlikely to disappear from the national agenda. While it usually is perceived as a local or national concern, court decisions and financial considerations may serve to increase the state role.

Many states, such as Michigan, Pennsylvania and Connecticut, have cities with segregated or predominantly black school systems. This problem will be a test of state political leadership. The following case study also makes clear that politics can thwart the implementation of a good plan.

As pointed out in the following case study on Ohio, the state legislature held hearings on school desegregation and suggested some possible solutions to the problem after six of the seven largest cities in the state became embroiled in desegregation suits.

School Desegregation in Ohio[1]

As of the 1978-79 school year, Ohio led the nation in school desegregation litigation. Desegregation suits had been filed in six of Ohio's seven largest cities, generally leading to a finding that officials drew school boundaries to intentionally segregate the schools. Officials then filed desegregation plans. A number of smaller communities also were involved in negotiations with the federal Office of Civil Rights over compliance with Title VI of the Civil Rights Act of 1964. At least half of Ohio's minority students were enrolled in schools in which some desegregation controversy had taken place.

In 1978, largely because of these widespread desegregation controversies, the legislature created a special bipartisan committee of House and Senate members to study school desegregation and make recommendations. The committee, chaired by Democratic Senator M. Morris Jackson from Cleveland, held hearings throughout the state and issued its report in December 1978. In the words of Senator Jackson, the final report of the committee was to be practical and directed to state legislators.

> Our report was written for a specific audience, the members of the Ohio General Assembly. It was written for legislators concerned about racial isolation, who need more information. It was written for legislators who have not had to confront desegregation back home and must therefore be convinced of the need to act on other grounds. Finally, it was written for legislators who equate school desegregation with "forced busing" but who are open to realistic and long term alternatives to court-ordered transportation.

In other words, the committee -- which was believed to be the first of its type in the nation -- condemned neither the federal courts for "interfering" in state matters nor local school officials for "dragging their feet." Rather their report made specific legislative recommendations to the Ohio General Assembly.

The committee made recommendations under six general headings: state authority to eliminate segregation, desegregation programs within school districts, desegregation programs between school districts, citizen participation, transportation, and housing. All of its specific recommendations

[1]This report was prepared by Dr. Peggy Siegel, the former Director of the Joint Select Committee on School Desegregation and currently coordinator of the Ohio Educational Policy Seminar.

called for state action. If they were enacted, the proposals would require state-funded programs to desegregate Ohio's schools.

The legislature adopted several of the recommendations and inserted provisions to fund them in the 1979 budget despite opposition. The provisions were:

1. The state department of education was required to define and adopt minimum standards for outlawing school segregation. (Under existing law, school districts that fail to meet minimum standards are subject to loss of state aid and even revocation of their charters.)

2. The state department of education was ordered to provide grants and technical assistance to districts that put voluntary desegregation plans into effect. The grants, up to $400 per pupil for each pupil transfer that improved racial balance, could be used for any activity that encouraged whites to enroll in a predominantly black school and vice versa. Technical assistance would also be provided to any district under court order to desegregate.

3. The Ohio Department of Economic and Community Development was required to coordinate and oversee state and local efforts to combat housing discrimination.

Governor James Rhodes, while approving the voluntary desegregation programs, vetoed the enforcement and housing provisions.

Legislators also were able to attach a number of fair housing amendments to an industry-supported bill to strengthen the educational requirements for prospective real estate brokers. The amendments provided:

1. that prospective real estate agents had to take a course in civil rights laws, housing discrimination and desegregation, and

2. that the Real Estate Commission was required to suspend or revoke the license of any broker who violated any housing discrimination laws.

Both amendments passed easily and were signed into law by Governor Rhodes without any fanfare.

In addition to the legislative action, the state board of education, in 1980, required local districts to reexamine pupil assignment and staffing patterns and eliminate substantial racial imbalances in the district schools. The student body of each school must contain the same percentage of minority students as the school district as a whole does, within 15 percent.

An imbalance of 15 percent requires the local district to correct the disparity, "no matter whether the cause be action or inaction of local school officials." According to the department's own estimate, 55.5 percent of the minority students attended racially imbalanced schools in 1980.

Another major action, involving not only the legislature and the state department of education but the governor as well, has been the funding of the special state program of grants to school districts undertaking voluntary desegregation. The state had appropriated $500,000 for fiscal 1980 and the same amount for fiscal 1981. During 1980, eight districts received grants, using the funds to transfer 6,874 students to ease racial isolation. Proponents of school desegregation were heartened when Governor Rhodes included $1 million for this program in his budget for the years 1981 to 1983.

These actions do not resolve the school segregation problem in Ohio. Indeed, as one observer put it, "The hard issues are yet to come." These "hard issues" include the enforcement of existing fair housing laws and the enactment of new ones so as to create stable integrated neighborhoods, the forging of an alliance between education and housing officials so as to coordinate their efforts, a resolution of the issue of metropolitan desegregation which is likely to arise in some of the pending litigation, and the funding of adequate urban education programs, a perennial issue in Ohio.

X. Competency Testing: Students and Teachers

As recently as 1976, only ten states required some sort of student competency testing. By 1980, that number had grown to thirty-six. Comprehensive graduation tests for students are not a new phenomenon. The Boston Public Schools' Common Exam and New York State's Regents' Examination go back over a century. But the recent minimum competency testing movement is a product of contemporary forces.

First, the movement is related to a growing public belief that the schools are failing to teach basic skills and, in fact, are graduating students who are barely literate. This vague public sentiment was given focus by such findings as that of the National Assessment of Education Programs, which reported that 13 percent of the nation's 17-year-old high school graduates were functionally illiterate. Critics of the schools also point to the steady decline in SAT scores of high school seniors.

At the same time, state policymakers believe that competency testing will make the schools more accountable. As states put more funds into public education, many state legislators have raised the question, "What are we getting for the money?"

Finally, many professional educators favor competency testing. If education is the acquisition of specific and measurable skills, they see competency testing as a way to evaluate the schools' success.

Thus, competency testing provides some assurance that high school graduates have acquired minimal skills; it gives state policymakers a rough measure of how the schools are doing; and, for many professional educators, the tests contain useful diagnostic and remedial information.

In some states, such as Florida, all students take a single state-wide test. Under the provisions of the Educational Accountability Act of 1976, Florida students must pass a test of basic skills for promotion and a functional literacy test for high school graduation. However, a court decision delayed implementation of the graduation provisions of the law.

When the tests were given to Florida high school juniors in the fall of 1978, a disproportionate number of black students failed the test -- 77 percent failed the mathematics portion of the test and 26 percent failed the communications portion. Supported by the NAACP, a class action suit was filed claiming that the tests discriminated against black students. U.S. District Court Judge George Carr did not find the tests themselves to be discriminatory, but he did rule that because black high school juniors had received at least part of their schooling in segregated schools, the state must delay putting the graduation test into effect until the last vestiges of segregation were eliminated.

The latest test results show significant improvement, by both black and white children. Florida Education Commissioner Turlington is confident that the procedure will be upheld in any future court action.

In North Carolina, a suit similar to the one in Florida was filed, and more suits in other states may be expected as the graduation component of competency testing is implemented.

While the Florida model of a single statewide test appears to be the most popular, other states have different systems. For example, in Oregon, which required testing as early as 1973, the state sets general standards but specific tests are developed by local districts. The law requires local school districts to develop competency tests in at lest twelve specific areas, ranging from such familiar topics as reading and writing to more specialized areas, such as responsibility for the environment and consumerism. Locally developed tests must be approved by the state.

One Oregon district developed more than 300 tests, another identified only 23. The Oregon law did not go into effect until 1981. Before that students were tested only in basic skills. Testing in the "life skills" as a graduation requirement was delayed until last year.

Colorado uses a third type of minimum competency. In that state, local districts may require competency testing for graduation, and the development and implementation of the testing is the job of local school districts. The state does, however, provide some guidelines for testing. It requires that students must be prepared for the test, tests must be given at least twice a year, periodic reports must be sent to the parents of students who fail the tests, and remedial instruction must be provided the students who fail the test.

Illinois follows a similar pattern to that of Colorado, but with even fewer guidelines. As of mid 1981, less than 50 per cent of the Illinois school districts had begun minimum competency testing.

In the past, minimum competency testing was primarily a political issue, involving state legislatures and state boards of education. As the testing programs are put into effect, the principal actors are likely to be state departments of education and courts.

Competency testing costs money. Merely developing a satisfactory test can be expensive. Kentucky spent approximately $6 per pupil to develop and pilot test its competency testing program. California spent $2.5 million helping local districts devleop appropriate tests. And, in Oregon, local districts spent between $26,500 and $173,000 complying with the state testing law.

Also, if competency testing is to be useful, school systems need money to collect and analyze data and to provide remedial services to students who fail the test. Florida, for example, had to provide $26 million in additional state money for compensatory education as a result of its 1978 testing program.

The 1980s are also likely to witness more litigation over competency testing. Suits challenging the tests have been heard in Florida and North Carolina. As other states make tests a requirement for graduation, more litigation is probable.

A second area likely to produce law suits is the effect of competency based graduation requirements on handicapped students. Of the states that have competency testing programs, only seven make special provisions for the handicapped. More important, of the states that require students to pass the test in order to graduate, only six require handicapped students to take the test. And even among these six states, the categories of handicapped eligible to take the test vary. For example, California, Maryland and Vermont require all handicapped school children to take the test while Florida limits the test to the speech and language impaired, the visually impaired and the orthopedically impaired.

A frequent procedure is to exempt handicapped students from the test and to award them certificates of attendance rather than diplomas. This practice poses serious problems under Section 504 of the Rehabilitation Act of 1973 which forbids discrimination against handicapped students.

The use of competency tests for handicapped students -- whether for graduation or for diagnostic and remedial purposes -- poses difficult policy and legal considerations. The conclusion of one expert is that "potential harmful or helpful consequences for handicapped students so far have been left unexamined. The time for serious consideration of how this sweeping educational change affects handicapped students is overdue."[1] During the 1980s the courts are likely to give "serious consideration" to the issue, creating new problems for state policymakers.

A growing emphasis on teacher competence developed together with the movement toward minimum competency tests for high school students. Traditionally, most states relied upon teachers' colleges to recommend prospective teachers for certification. Generally if a student completed a required course of study, he received a provisionary teaching certificate from the state,

[1]Ann Rosewater, Minimum Competency Testing Programs and Handicapped Students: Perspectives on Policy and Practice (Washington, D.C.: Institute for Educational Leadership, 1979).

which was made permanent after a short probationary period. But several factors have recently combined to call this traditional practice into question.

In general, many persons believed that poor student performance could be traced to incompetent teacher performance. Perhaps this conviction is buttressed by the advent and spread of collective bargaining; however, many people believe that teachers are no longer dedicated. According to a recent Gallup Poll, when asked "what are the main things a school can do before it can earn an A?" "Twenty three percent of the respondents -- the largest single category -- mentioned "improve the quality of teachers."

There is growing support for some process that directly measures the ability of perspective teachers. In the same Gallup Poll that found that many people felt that the best way to improve the schools was to improve the teachers, 85 percent of the respondents favored some sort of state examination as part of the teacher certification process. Futhermore, an equal percentage of the respondents favored such testing every few years for all teachers.

During the last half fo the 1970s a number of states began to look at their processes of teacher certification and change them. Some states, Florida and South Carolina, for example, required competency examinations for teachers

Florida's law, enacted in 1977, called for: (1) an examination for students wishing to major in undergraduate education, (2) a comprehensive examination after completing a course of study and prior to provisionary certification, (3) an internship or three years of teaching experience prior to regular certification, and (4) teaching certificates that are valid for only five years. The comprehensive examination prior to provisional certification became effective in 1980. The test requires the prospective teacher to demonstrate proficiency in writing, reading, listening, and mathematics -- much the same skills that graduating high school seniors must demonstrate under another Florida law.

South Carolina adopted a similar procedure in 1979. The South Carolina legislation mandates the use of the National Teachers Examination. Other states that have recently adopted procedures similar to that of Florida and South Carolina include Alabama and Georgia. Neither of these states reports any difficulty implementing the law.

States that are currently re-evaluating their process of teacher certification include Maine, New Jersey, Oklahoma, Pennsylvania, and Texas. However, the tests are not the issue in these states. In Maine, the teacher organizations want a greater role in the certification process. In New Jersey after the legislature rejected a proposal for teacher competency testing, legislation was introduced to lengthen the probationary period for prospective teachers. After providing substantial salary increases for teachers, Oklahoma increased the in-service component of the certification procedure. In Pennsylvania, Secretary of Education Robert Scanlon proposed a major overhaul of teacher certification. He suggested requiring testing for admission to teaching programs, a fifth year of professional education prior to certification, and both teacher certification and professional licensure.

Teacher certification involves established procedures and established interests. Consequently, changes in the process of certification are likely to take longer. But like student competency testing, the initiative for changes in teacher certification comes more from the general political leaders than from the education community.

XI. The States Role in Private Education

During the 1970s, private school enrollments remained at a fairly constant 10 percent of the total of elementary and secondary students. However, the private schools have not suffered the same steady enrollment decline that has affected the public schools. In fact, there has been a substantial change in the nature of private school enrollments, and this change has posed new problems for state policy-makers.

Over one-half of the nation's private schools are Catholic and another 20 percent have no religious affiliation whatever. The remaining 30 percent of the private schools, mostly affiliated with Protestant denominations, posed the most recent challenges to state political and educational leaders.

During the period 1965 to 1975, while Catholic school enrollments declined substantially, enrollment in other private schools increased from about 600,000 to almost 1.5 million. While many of these schools are affiliated with established churches, others are not and are often fundamentalist in orientation.

Often, these fundamentalist schools are small -- perhaps not more than a dozen students -- and are run by a local minister in his home or church building. The parents and school admini-

strators say the public schools are too secular and fail to provide the proper setting for education. Consequently, they formed their own schools in which religious beliefs set the framework for education. Generally, their educational programs focus on the basics of reading, writing and arithmetic, but also include instruction in religion and patriotism. By and large, they seek no aid from the state and, more important, want no state regulation.

The question of state regulation of these new, fundamentalist Christian academies became controversial in several states. In some states, the battleground was the legislature. For example, in Maine, the legislature narrowly turned back a demand to exempt such private schools from normal state requirements of teacher certification, curriculum, and attendance.

In other states, the matter of state regulation has been taken to the courts. Perhaps the best known recent decision in this area is that of the Kentucky Supreme Court which struck down almost all state regulation of private schools. The details of the Kentucky case are instructive for other states.

Prior to the supreme court's decisions, the state board of education was empowered by statute to permit students to attend "approved" private schools. To gain approval, the private school had to meet various requirements concerning teacher certification, curriculum, and attendance. Representatives of established Catholic, Baptist, and Methodist schools testified at the trial that they had no difficulty conforming to the state requirements.

However, the 1970s witnessed the rapid growth of Christian academies in Kentucky. One team of experts estimated that enrollment in such schools increased from under 800 students in 1969 to over 4,000 by 1978. Many of these schools, especially those affiliated with the National Association of Christian Schools, the American Association of Christian Schools, the Association of Christian Schools International, and Christian Schools International, either complied with state requirements or were in the process of negotiating specific settlements.

But a few schools, not affiliated with the national organizations, brought suit in the Franklin County Circuit Court seeking a ruling that any regulation was a violation of their freedom of religion as gauranteed by the First and Fourteenth Amendments to the United States Constitution. The circuit court judge agreed. Basing his opinion on the Yoder case, he decided that the state could not subject the private schools to normal state regulations.

On appeal, the Kentucky Supreme Court upheld the lower court but based its decision on Section 5 of the Kentucky Constitution rather than the Constitution of the United States. With this ruling, the state could not appeal to the United States Supreme Court.

The decision appears to strike down all state regulation of the private schools, including laws governing teacher certification, attendance, and even health and safety requirements. However, the court did say that Kentucky could monitor the private schools by requiring their students to undergo achievement testing. Officials from Kentucky report that they lack statuatory authority to conduct such testing although the state is considering including private school students in its new system of statewide competency testing.

The rights of states to regulate private schools have been upheld by other state courts. For example, in a Nebraska case brought by a school associated with the Faith Baptist Church in Louisville, the state supreme court upheld state regulation of curriculum, teacher certification and attendance. In a North Carolina case, the state regulations were upheld because, the court said, the parents were not "sincere" in their beliefs.

The autonomy of private schools is not the only issue raised by the new fundamentalists. An old issue that has recently re-emerged involves the teaching of evolution in the public schools. At the famous 1925 Scopes trial, at issue was a state law forbidding the teaching of evolution. The teaching of evolution to the exclusion of other explanations of human development, namely creationism, is under attack in the 80s.

Several states, including Nebraska, Georgia, Oklahoma and South Dakota, are considering legislation to require teachers to present the theory of creationism in any course in which the theory of evolution is discussed. So far, only Arkansas has enacted such a requirement but the issue is likely to arise in other states. A South Carolina organization, Citizens for Fairness in Education, headed by Paul Ellwanger, has developed a model statute which would require equal time for creationism. The group is urging the bill's adoption by state legislatures.

The struggle to include creationism in the curriculum of the public schools is being fought in other arenas as well. For example, some organizations have urged the inclusion of creationism in science text books, a proposal strongly opposed by the National Science Teachers Association. The battle is also being fought in the courts. In a suit brought by Kelly Segroves, director of the Creation Science Reseach Center, California courts upheld the state's policy of teaching evolution but cautioned the schools to be sensitive to the beliefs of their students in this matter.

The controversies over state regulation and creationism are substantial, but they probably involve relatively few people in few states. Of substantially greater interest is the drive for tax credits or tax deductions for parents of children attending non-public schools. The issue involves both state and federal policymakers.

In the United States Congress, at least five different forms of tax credit legislation have been introduced, the most well-known of which is the proposal by Senators Robert Packwood (R-Oregon) and Patrick Moynihan (D-New York). The proposals differ on the issue of whether both elementary/secondary and higher education should be included, the size of the tax credit, safeguards to protect the separation of church and state, and many other important aspects. But they all share the common feature of allowing federal taxpayers to deduct at least part of the cost of their children's private school education from their federal taxes. Congress has rejected such proposals in the past but now their fate is uncertain.

While Congress debated tax credit legislation, several states enacted it. For example, Minnesota allows its citizens to deduct up to $700 per year from state income taxes for expenses incurred in sending their children to either public or private schools. The law was recently upheld by a United States District Court which likened the deductions to other deductions for charitable purposes.

However, tax credit legislation has been struck down in both New Jersey (1979) and Rhode Island (1980). Several other states are now considering tax credit legislation.

Voucher plans go beyond even tax credits, providing state grants to be used for educational expenses in private schools. Such grants, or vouchers, have been used in higher education by a number of states for some time, but their use for elementary and secondary education, except for some brief experiments during the late 1960s and early 1970s, has been limited. Most recently, Michigan voters rejected a voucher plan in a statewide referendum, and in Calfornia, a voucher initiative supported by John Coons and Stephen Sugerman failed to get on the ballot because the petition lacked the required number of signatures. However, California observers believe that advocates of the voucher initiative will reintroduce it in 1982, when it is next eligible for consideration.

Several distinct policy issues are raised by this new interest in private schools. First, state policymakers must consider whether it is desirable to encourage and support private schools, and if so, whether to use tax credits or vouchers. While the voucher movement has not been successful in any state, tax credit legislation has been enacted, or is being considered in a number of states.

Thus, while much public attention will be focused on the Packwood-Moynihan proposal and other actions in Washington, equally significant decisions are being made in state capitals throughout the nation. The outcome of the Washington battles are important to the future of private schools, but state actions will be equally important in shaping that future.

XII. Collective Bargaining: An Issue at Impasse

According to the survey of State Educational Policy Seminar coordinators, collective bargaining ranked seventh among all of the issues identified. In addition, it was rated as a "very important" issue in ten of the thirty states surveyed.

But, overall, collective bargaining is at an impasse. Teacher organizations have not won bargaining rights for teachers in any of the 19 states that currently have no bargaining law, and, by and large, opponents of collective bargaining have not been able to reduce teachers' rights in the states where bargaining laws do exist.

According to a study by the Education Commission of the States, Cuebook II: State Education Collective Bargaining Laws, the impasse has existed since 1978, the last year a state granted bargaining rights to a teacher organization. Conversely, no state has rescinded teacher bargaining rights that have been granted by law.

This is not to suggest that no states have taken action regarding collective bargaining. Indeed, Connecticut in 1979 adopted binding arbitration and Minnesota undertook a basic revision of its collective bargaining laws in 1980.

State laws and practices vary even in those states that do not provide for collective bargaining. For example, under Alabama law, school administrators are required to consult with teacher organizations. Illinois law, while silent on collective bargaining for teachers generally, specifically allows the Chicago school board to negotiate with its teachers. Similarly,

a decision of the Kentucky Supreme Court allows that state's school districts to negotiate with teacher organizations. On the other hand, North Carolina law prohibits state contracts with teacher organizations, and Texas, going somewhat further, forbids collective bargaining by any public employees. The Virginia Supreme Court bars collective bargaining for teachers.

However, in most states without collective bargaining laws, collective bargaining (and sometimes strikes) does go on. It is this fact that prompted Illinois Superintendent Donald Gill to urge passage of collective bargaining legislation so as to formalize school district-employee relations.

Just as practice varies among the states without collective bargaining, there is considerable variation in the laws in the states that do provide for collective bargaining. The laws vary in terms of the nature of the bargaining units, the scope of bargaining and the resolution of impasses. Recently, most attention has focused on impasse resolution. All states with bargaining laws appear to provide for mediation, most for fact finding, but only a few provide for compulsory binding arbitration.

As of 1980, only ten states provided for some form of arbitration. Of these, eight leave the decision to go to arbitration to the mutual consent of the parties; only Wisconsin and Connecticut require binding arbitration.

Several states have shown increased interest in some form of binding arbitration as an alternative to teacher strikes. For example, Missouri, New York, Oklahoma, Rhode Island, Washington and Pennsylvania are all considering arbitration. North Dakota rejected such a proposal recently, but both Minnesota and Connecticut revised their laws to provide for arbitration.

Under a 1980 revision of Minnesota law, teachers and school districts may submit their differences to binding arbitration by mutual consent. Strikes remain legal and the laws do not require the two sides to submit issues to arbitration.

Connecticut revised its collective bargaining laws in 1979 and now provides for "last-best-offer" binding arbitration and prohibits strikes. Observers report that most seem pleased with the new law, although it has not been tested in any bitter labor disputes. However, local school officials have reservations about the law, fearing that arbitration will tend to erode local control. A coalition of local boards challenged the constitutionality of the law but it was upheld in the courts.

During the 1980s, collective bargaining is likely to remain an important issue for the states. In some states, the issue will be whether or not to adopt a state collective bargaining law. In Illinois and Ohio, observers predict that such a law may be enacted within the next several years. But the other 17 (mostly Southern and Western) states that do not have collective bargaining laws are unlikely to enact them.

In those states with collective bargaining laws, truly compulsory arbitration is unlikely to be enacted by many legislatures. Such proposals generally have not been received favorably. North Dakota turned down such a proposal.

The difficulty is that no one has devised an adequate system of collective bargaining for teachers and other public employees. Unrestrained collective bargaining can lead to strikes and the curtailment of public services. Compulsory arbitration takes financial responsibility away from elected decisionmakers. Changes during the 1980s are likely to be what one scholar described as "incremental changes," changes that adjust and modify existing procedures but do not alter basic relationships.

XIII. Higher Education: Finance and Governance

According to the survey of state educational policy coordinators, state interest in higher education is dominated by three related concerns -- enrollment decline, funding and governance.

While enrollment in colleges and universities will decline in the 1980s, the impact of that decline will be different in various parts of the country. Overall enrollment declines are expected to be the greatest in the Northeastern and Great Lakes states. However, enrollments are expected to increase in the West and the South.

Equally important, the anticipated enrollment decline will affect some types of institutions more than others. For example, during the 1970s, 141 private colleges were forced to close. Fifty-seven of these were four-year institutions, 45 were two-year institutions and 39 were specialized institutions, such as technical institutes and seminaries. Most were small and church-related. While this trend is likely to continue during the 1980s, the enrollment of many of the larger research universities is expected to remain stable. The varying impact of enrollment decline is predicted to be so great that the Carnegie Commission titled its recent report on enrollment projections in higher education, "Three Thousand Futures," in recognition of the expected variation among regions and types of institutions.

One should also bear in mind that postsecondary enrollment projections are not as reliable as elementary/secondary projections. Postsecondary enrollments can vary with the percentage of high school graduates seeking further education, general economic conditions, the availability of financial support, and the enrollment of groups who traditionally have not gone to college. As a result, while all experts predict an overall decline in postsecondary enrollments, their estimates vary from a 20 percent to a 40 percent decline over the next twenty years, a difference of 2.5 million students.

One concern of state policymakers is the impact of enrollment decline on state funding formulas. Most states base funding on enrollment, often providing a specified amount of money for each full time equivalency (FTE). Consequently, during the 1960s and 1970s, as enrollment increased, state support increased. Now, university administrators are faced with budget cutbacks as enrollments decline. This has created three problems for state policymakers.

First, FTE funding formulas do not accurately reflect college costs. In the 1960s and early 1970s, few questioned the formula since it tended to overestimate the cost of additional students, thus leading to extra money for the colleges and universities. But during the 1980s, this method of funding will lead to severe cutbacks if enrollments drop because colleges have certain fixed costs that do not decline when the number of students goes down.

As a result, several states are adjusting their funding formulas. Ohio distinguishes between fixed and variable costs so that an enrollment decline of as much as 40 percent results in a funding reduction of only about three-quarters of what it would be with a simple FTE formula. Florida, on the other hand, reduces state funding by only one-half of the normal per student allotment for each FTE decline. Maryland, Massachusetts and Minnesota are among other states currently examining their funding formulas in the face of projected enrollment declines.

Policymakers face a second problem brought about by enrollment decline, the possibility of increased competition among colleges for a shrinking pool of students. Some fear that this will lead the colleges to lower admissions standards and, eventually, to relax academic standards. New Jersey has adopted an experimental funding formula for Trenton State College under which the state will provide a financial incentive for maintaining current admission requirements. If the experiment is successful, it will be adopted for the other state colleges as well. Some Pennsylvania legislators expressed interest in the New Jersey experiment as they became concerned with the quality of higher education in the face of the increased competition among colleges.

Projected enrollment declines pose a third, and politically difficult problem for state policymakers -- closing colleges and branch campuses. For example, in North Dakota, which currently supports seven state colleges, the governor recommended the consolidation of several of them. The state regents are divided on the proposal, and observers predict that the legislature is unlikely to take any action.

Similarly, the Maryland commissioner of higher education proposed the merger of several colleges near one another, specifically the mergers of the University of Maryland-Eastern Shore with the local community college and Bowie State College with the Prince George's County Community College.

But the Maryland situation is complicated by two factors. The University of Maryland-Eastern Shore and Bowie are primarily black colleges while the community colleges are largely white. Many black leaders oppose the proposed mergers because they believe black college administrators and faculty members would lose out when staff were cut.

Second, Maryland lacks a strong governing board with authority over all state colleges and universities. The State Board of Regents governs the University of Maryland while the State Board of Higher Education has authority over Maryland's other state colleges. The proposed merger was supported by the State Board of Higher Education, but it was opposed by the State Board of Regents.

Other states that report difficult problems with the possibility of closings or consolidations include Pennsylvania, Illinois and Connecticut.

The changing nature of college enrollments also has posed new challenges to state officials. When higher education funding formulas were first developed, they were based, in large part, on the assumption that all students were full-time and had similar educational needs. But now a larger percentage of college enrollments are composed of part-time students, many of whom are older than traditional students and many of whom lack fundamental knowledge and skills. This is causing colleges to question the formulas.

According to a recent study by the Education Commission of the States, a common method for dealing with these changes is to establish different funding formulas for different categories of programs. Texas, for example, uses several dozen instructional categories and South Carolina uses over 100 different codes for funding categories.[1]

[1]William Hyde, "State Fiscal Constraints on Higher Education," Working Paper No. 33, Education Commission of the States.

New York, in addition to using various program categories, provides additional funding for each disadvantaged student enrolled. Under the New York program, the funds are distributed among the institutions based on the number of students needing remedial courses. Illinois has a large categorical grant program for community college students enrolled in remedial courses.

However the states adjust their funding formulas to account for enrollment declines and changes, the overriding consideration is the funding of higher education generally. According to one university president, higher education will not fare well in the struggle for scarce state funds because it has "failed to explain itself to the public." A state legislator in another state put the problem more bluntly. According to this veteran legislator, "Higher education is about as popular with the general public as welfare."

In a number of states, governors have proposed cuts in higher education. In Nevada, for example, the governor proposed cuts in state support for higher education coupled with a significant increase in tuition and fees. The proposal calls for a seven or eight percent increase in higher education funding, but all of it a result of the proposed increase in tuition and fees.

Similarly, in both Maine and Missouri, the governors have recommended either cuts or no increases in funding for higher education. And in Pennsylvania, Governor Richard Thornburgh, a longtime friend of education, recommended only about a five percent increase for higher education.

But higher education does not fare worse than other human services or worse than elementary and secondary education. In some states, the funding for higher education increases more than funding for other state services. In South Carolina, for example, higher education was exempted for an across-the-board seven percent decrease in personnel ordered from all state agencies. In Pennsylvania, on the other hand, state spending is expected to rise approximately six percent while spending for higher education will increase by only about five percent. Most State Educational Policy Seminar coordinators report that higher education appears to be doing neither better nor worse in the struggle for state funds.

However, in Rhode Island, the higher education community believes itself to be underfunded. Currently, both basic and higher education in Rhode Island are controlled by a single state board. Basic education is funded according to a formula while postsecondary education is not. Consequently, higher education loses out to basic education in the state board's budget

considerations, according to some observers. Lobbyists for higher education recommended the establishment of a separate state board for the state colleges, believing that such a board would fight for more funding from the legislature.

The Rhode Island example suggests that governance issues may be based on funding concerns. But the governance of higher education has been a matter of concern to both political and educational leaders for a long time. This concern continued to manifest itself in 1980. For example, Massachusetts successfully enacted major changes in the governance of its 28 colleges and universities, creating a powerful single 15-member board of regents to replace the separate boards that had existed previously. A similar proposal in Connecticut to strengthen the budgetary authority of the state board was defeated.

However, proposals in both Florida and Alabama would decentralize authority. In Florida, the legislature enacted a major restructuring of higher education administration that weakened the power of the state board of regents and vested substantial authority in the individual campuses. But for a variety of reasons, Governor Robert Graham vetoed the legislation.

In Alabama, Governor "Fob" James recommended the creation of separate boards for the state universities and the state junior colleges and technical institutes. Under the proposal, the governor, the finance director and the state superintendent of education would serve as ex officio members of each board, and the governor would have the authority to appoint the remaining seven members of each board.

The question of centralization-decentralization is cloudy in both the Florida and Alabama examples. In Florida the vetoed legislation would have weakened the authority of the state board but also would have increased legislative regulation of the colleges and universities. And in Alabama, Governor James' proposal would abolish the single state board but would also strengthen political control over the universities, the junior colleges and the technical institutes.

Finally, Pennsylvania has a proposal that would centralize authority over the 14 state colleges but, at the same time, would probably weaken the governor's overall control of the colleges. Currently each of the state colleges has its own board of trustees who are individually answerable to the governor's budget secretary. Under the Keystone University proposal, the colleges would be governed by a single board of regents. If enacted, the proposal would provide substantial central control over the individual colleges but would lessen the direct involvement of the budget secretary and the secretary of education, thus weakening gubernatorial control.

These examples suggest that there is no one way to govern higher education best. Taken together, the states exemplify almost every known possibilty. Some current proposals would strengthen central control, some would increase local autonomy, and the impact of others is unclear.

Administrative issues in higher education are not new; the states have paid considerable attention to the administrative structure for higher education for almost 20 years. But the current context of enrollment decline and tight budgets provides a different framework in which the states are examining the issue. Coordination, effectiveness and access remain some of the considerations in designing governing institutions and processes. But new concerns about quality and efficiency are on the horizon. Both educational and political leaders must decide how to maintain educational standards in the face of financial constraints and increased competition for students. Governance may take on a new urgency as officials attempt to do more with less.

XIV. Trends and Issues in Education: A Summary

State policymakers are considering other issues in education, of course. Oregon and Tennessee, for example, are weighing mandatory kindergarten. California, Florida and South Carolina all have undertaken major efforts to encourage parental and community involvement in the schools. Truth-in-testing legislation is under scrutiny in Florida, Massachusetts, Missouri, New Jersey, New York, and South Dakota. California, Illinois and New Jersey all report some controversy over bilingual education.

While there is great diversity among the states both in terms of issues they are facing and the solutions being attempted, certain patterns stand out.

First, there may be certain regional patterns. For example, the teacher competency movement is essentially a Southern innovation. Whether, like student competency testing, it will spread across the nation is unclear at this time. Similarly, the constitutional tax limitations movement is still primarily confined to the Western states, perhaps because Northeastern and Great Lakes states are preoccupied with such revenue problems that tax reduction schemes are not high on the agenda. However, teacher competency testing or tax and spending limitations may become more widespread during the 1980s. Certainly the potential for such actions exists in many states.

Second, state interest in education is still primarily financial. Most political struggles involve the issue of how to provide adequate funding for educational programs. In some states, this issue takes the form of basic school finance reform to provide increased state funding to local school districts. In other states, the problem is one of maintaining adequate funding for specific programs, such as the education of the handicapped, compensatory education for poor urban school students, and higher education.

Third, the states appear to want greater accountabilty from educational institutions. This demand for accountability manifests itself in several ways: student competency testing, changes in teacher certification, the administration of higher education, and the imposition of cost controls in distressed urban school systems.

Fourth, state interest in finance and accountabilty suggests a growing state interest in educational programs. Many states already have mandated detailed requirements in such areas as the education of the handicapped and bilingual

education. At the same time, other states have created requirements for educational improvement, such as Florida's system of school site management, New Jersey's requirement for local school district planning, and California's advisory counsels.

Finally, these three factors -- finance, accountabilty, and program -- could combine to bring about significant changes in the governance of education. While local school boards probably never enjoyed as much home rule as is generally believed, the expansion of state authority may erode that cherished concept and substitute for it state systems of public education.

The interaction of these four state considerations -- finance, accountability, program, and governance -- may bring about vast changes in public education during the 1980s. But how the states balance these four considerations will be a matter not only of economic and demographic trends, but of state political leadership as well. Therefore, it is appropriate to turn from an examination of issues to an examination of the process by which education issues are resolved in state political arenas.

PART THREE

The Politics of Education

XV. Trends in State Government and Politics

The past fifteen years have witnessed major changes both in the role of the states in the federal system and in state policymaking processes. In order to understand how states make educational policy, it will be useful to review some of these major changes.

The role of the states in the federal system is stronger. While the categorical grants of the Great Society often bypassed state governments, later grant programs (perhaps beginning with the Law Enforcement and Criminal Justice Assistance Act of 1968) required state planning, evaluation, and funding allocations. This federal rediscovery of the states led to the passage of other block grant programs during the 1970s that recognized the crucial administrative role of the states in the implementation of federal programs.

More recently, federal policymakers admitted the importance of the states' political role in forging solutions to meet America's problems. Both in Washington and in state capitals, there is a recognition that uniform, centralized decisions about contemporary issues are not necessarily the best approach. Supported by such state-based groups as the National Governors' Association, the National Conference of State Legislatures and, in education, the Education Commission of the States, the Council of Chief State School Officers and the National Association of State Boards of Education, policymakers are beginning to accept the role of the states as political entities as well as administrative units.

But with or without this growing national recognition of the importance of the states, state governments have taken a more active role in the development and implementation of programs in all areas of public policy. While the states are dependent upon federal grants, one should not overlook the fact that approximately 80 percent of state revenues are raised internally. Indeed, state revenue and spending increased faster over the past ten years than have either federal or local revenue and spending.

Given these developments, it is important to understand at least the basics of state policymaking processes as they have changed over the past ten or fifteen years.

First, state policymaking has been characterized by the modernization and professionalization of state legislatures. Since 1962, the "reapportionment revolution" swept through all states so that by the early 1970s, every state legislature was organized by population. While it is impossible to measure the full impact of this development, it had several clear consequences: it increased the representation of urban and suburban residents; it has brought into legislative politics younger and sometimes better educated state legislators; and, in many states it has increased party competition.

Reapportionment has been accompanied by other important legislative changes. Most important, legislative staffing increased dramatically. While few state legislatures are as well staffed as those of California and New York, most legislatures now have enough staff support to evaluate gubernatorial proposals and exercise some legislative oversight.

Second, in many states, gubernatorial authority has been strengthened. For example, almost all governors now serve four-year terms and generally are eligible for reelection to a second consecutive term. As recently as twenty years ago, sixteen states provided for two-year gubernatorial terms, and at least fifteen states prohibited reelection for consecutive terms.

In addition, the constitutional powers of the governors have been increased. Generally, the trend has been to reduce the number of statewide elected officials and to increase the appointive powers of the governors. Also, most governors now enjoy a substantial veto power, allowing them to veto individual legislative provisions.

Perhaps most important, contemporary governors exercise great influence over state taxation and spending. Aided by budget and planning staffs, governors have primary responsibility for determining the level of state spending and the general allocation of state funds among various agencies.

Third, state judicial systems were modernized, usually by strengthening the central authority of the state supreme court and by providing professional staffs. Aided by the federal Law Enforcement Assistance Administration, many states strengthened the rule making authority of state supreme courts and provided them with professional court administrators. As state supreme courts gained in authority and reputation, many of them took a more active role in developing social policy. While no state supreme court can rival the activism of the United States Supreme Court under Chief Justice Earl Warren, or that of many judges of the federal district courts, several state supreme courts entered into policy areas that they might not have even a few years ago. The best example of state judicial activism is the role of state supreme courts in school finance litigation.

Fourth, while the institutions of state government were strengthened, state political party systems lost influence. Traditionally, strong state party organizations served to bring together divergent state interests and worked with disciplined state legislators to enact legislative programs. But for a variety of reasons, ranging from the impact of television on political campaigning to civil service reform, state political parties became skeleton structures unable to formulate and enact legislative programs. The demise of disciplined parties has changed the nature of state politics, making stable legislative majorities difficult to achieve.

Finally, the decline of state political parties was accompanied by the proliferation of interest groups. According to Alexis de Tocqueville, the astute 19th century French observer of American politics, America has always been a "nation of joiners," with almost every conceivable social or economic grouping pursuing its goals in the political arena. But even de Tocqueville would be amazed at the proliferation of groups at all levels of government, national, state and local.

Furthermore, the activities of contemporary interest groups differed from those in the past in at least two ways. First, because of campaign finance laws and the general decline of the influence of political parties, interest groups are less likely to be forced to cooperate within political party organizations. Instead, often groups may pursue a single issue directly within the legislature. And second, because of the expansion of the concept of civil rights, groups pursue their goals through litigation, as well as through the more traditional political channels.

Thus, the activities of contemporary interst groups have two important consequences for state policymaking. First, there are simply more groups; politicians can no longer deal with only a few established interests. Second, reconciling these divergent demands has become more difficult because of the decline of political party influence and the trend toward using litigation to fight for equal treatment.

In sum, legislators, governors and judges all have a hand in making educational policy. However, officials find it harder to make laws because so many different groups seek legislative solutions to their problems.

XVI. Eductional Policymaking in the States

Legislative Leadership in Education

During the 1970s, state legislatures took the lead in several areas of educational policy, especially in school finance reform and in the development of minimum competency testing.

According to the survey of State Educational Policy Seminar coordinators, this trend has continued. State legislatures are the most important state body making educational policy. In Connecticut, for example, where educational politics were dominated by the need to enact school finance reform legislation, the task force that developed the reform proposal was headed by the chairman of the legislature's joint education committee. And in Ohio, legislative leaders struggled with mixed success to force the state to pay greater attention to school desegregation.

Generally, during the 1970s individual legislators with long experience in public education, often the chairmen of the education committees, and legislators philosophically committed to education, led their colleagues in making changes in the educational system. They often had strong ties to the state's education community and usually worked closely with their state's department of education. Thus, new educational policies came from the education committee, and other legislative leaders and the membership generally deferred to those with experience in education.

But there are signs of change. When the State Educational Policy Seminar coordinators were asked to rate the relative importance of various legislative committees in the educational politics of their particular state, only 50 percent rated the education committees as "very important." On the other hand, 83 percent of the respondents rated the appropriations committees as "very important."

Fundamental educational policy decisions are just as likely to be made in the legislature's fiscal committees as in education committees. The authors of a nationwide study by the Eagleton Institute on state legislative leadership in education conclude:

> Because the nature and significance of education issues have changed in recent years, so has the location of legislative power over education policy. Formerly, when state revenues were more available and state aid was less in demand, money did not appear to be as much of a problem. Policy was the name of the game and education committees were the principal players. In the present period of fiscal containment and educational contraction, this is no longer

the case.[1]

[1]Alan Rosenthal and Susan Fuhrman, Legislative Education Leadership in the States (Washington, D.C.: Institute for Educational Leadership, 1981). See also Rosenthal and Fuhrman, Education Policy: Money is the Name of the Game, State Legislatures (September, 1980), 4-10.

Thus, while the state legislatures continue to be the principal source of educational policy, decisions are now being made by legislators more concerned with issues of taxation and state spending than by legislators committed to education as a public function. Just how this development will affect the growing state role in education is not at all clear. But it is likely that the established state educational interests will be forced to press their claims in the context of tight budgets and increasing competition for state funds.

Governors as Managers

According to a study done in the late 1960s, "The governors' leadership in education is most often nonexistent, and when it does exist it appears sporadically, reflecting the idiosyncratic character of particular governors and/or educational crises in particular states."2

That 1967 finding is supported in part by the survey of State Educational Policy Seminar coordinators. While 50 percent of the respondents rated the governors as "very important" in the educational politics of their states, the governors' role was viewed as important only as a budget officer. With some very important exceptions, governors have shown little interest in education issues other than funding.

However, the governors make fundamental fiscal decisions that affect all areas of educational policy. The State Educational Policy Seminar coordinators report that the governors' fiscal role has at least two dimensions.

First, the governors are the most important officials in determining the total amount of state spending. Their role in this regard is especially crucial where state revenues are no longer on the rise. Increases in state taxes are unlikely to be enacted without the strongest urging by the governor.

Second, the governors are very important in determining what portion of the state budget will be devoted to education. With the assistance of sophisticated budget and planning staffs, governors allot funds to all the competing state agencies.

During the 1960s and early 1970s, many governors achieved reputations as friends of education because they championed increased state spending and allocated increased state support for education. In the current era of declining enrollments and financial constraints, few governors are in a position to increase spending for education.

2Laurence Iannacconne, Politics in Education (New York: Center for Applied Research in Education, 1967).

Indeed, most governors have used their dominant role in the budget process to hold down education spending. For example, in Pennsylvania, the governor recommended only a $50 million increase in state spending. In order for the state to meet its goal of 50 percent state funding for education, the increase would have to be more than $300 million. In Connecticut, full funding of the new school finance formula is unlikely because the governor is unwilling to recommend new state taxes.

In other states, gubernatorial budget cutting affected postsecondary education. For example, in Nevada, New Jersey and Pennsylvania, significant tuition increases at the state colleges are likely because of gubernatorial budget cutbacks.

There are, of course, exceptions to this pattern of governors solely concerned with education budgets. In both Alabama and Minnesota, the governors made important recommendations in educational policy.

In Alabama, Governor "Fob" James made education a major issue in his campaign and, as governor, recommended a $10 million war on illiteracy to the legislature.

The legislature rejected the program (largely because the members believed the program vested too much discretion in the governor), but Governor James has continued his interest in education, being the first Alabama governor to take an active role as chairman of the state board of education.

Similarly, in Minnesota, Governor Albert Quie's $70 million plan to improve early childhood education was rejected by the legislature. Governor Quie's program would have reduced class size, provided for teacher training programs, improved curriculum materials, and encouraged greater parental involvement.

The governors of Florida, Mississippi, South Carolina and South Dakota have all exhibited some interest in public education programs. However, the general pattern is quite the opposite; most governors view education as a high cost item in the state budget and use their budget authority to attempt to hold down increases in budgets.

The Courts and Educational Change

In at least four areas -- school desegregation, school finance reform, the education of the handicapped and bilingual education -- the courts have been deeply involved in setting education policy.

During the late 1970s, the courts continued to play this important role. For example, recent state court decisions in Connecticut, Georgia, New York, Washington, and Wyoming, as well as in other states, struck down existing school finance laws and forced the legislatures to reconsider school finance.

In Ohio, as well as in other states, the courts have focused attention on the issue of school desegregation -- an issue that state officials probably would not deal with were it not for the judicial decisions.

In other states, courts have expanded existing rights. In Pennsylvania, and in other states, courts have monitored the education of the handicapped, making important rulings on such matters as due process hearings, appropriate placement, related services, and the provision of summer school.

Generally, the courts have played an important role in education. On the whole, they have limited themselves to findings of violations of the U.S. Constitution or state law, generally leaving the development of appropriate remedies to state and local governments. Very few of the nation's approximately 15,000 school districs are currently under the sort of comprehensive judicial supervision applied in other areas, such as prisons and mental institutions.

But no matter how it is measured, the courts continue to play an important role in the development of state educational policy. Generally that role has been limited to forcing state legislatures, governors and education officials to devote attention and resources to groups like minorities and the handicapped. Thus, by ordering the states to change, the courts have been an important force behind the growing state role in education.

Other Education Officials

The roles played by chief state school officers and state boards of education vary from state to state. According to the survey of State Educational Policy Seminar coordinators, chief state school officers were rated as "very important" in 50 percent of the states while state boards of education were rated as "very important" in only 30 percent.

The survey produced no evidence to indicate a correlation between strong chief state school officers and weak state boards of education. In fact, of the eighteen respondents who indicated that their chief state school officers were "very important" in the educational politics of their states, nearly half also

indicated that their state boards were "very important," five indicated that they were "somewhat important," and five indicated that they were "not important."

However, the survey did show somewhat of a geographical pattern in the ratings given the chief state school officers. Ten of the eleven Southern and border states rated the chief state school officers as "very important" compared with only three of the six Northeastern states, three of the eight Midwestern and Great Lake states, and two of the five Western states. No such geographical pattern emerged with the ratings given the state boards of education.

This somewhat complicated picture of state educational governance and politics should not surprise any experienced observer of state politics.

Nevertheless, some patterns emerge. First, chief state school officers generally have important political roles, sometimes as the governor's spokesperson on educational matters (as in Pennsylvania), sometimes as an important and largely independent advocate for education (as in California), and sometimes working closely with legislative and education leaders throughout the state (as in Georgia).

Second, the chief state school officer tends to be more involved with educational programs than budgets. While some chiefs have substantial impact on the budget process, their major influence appears to be in issuing regulations, modifying school codes, and initiating changes in curriculums.

Third, state boards of education are not rubber stamp agencies. In many states they have played important roles in school finance reform, school desegregation and minimum competency testing.

Higher Education

If there is considerable state-to-state variation in the governance of basic education, then there must be at least fifty different models for the governance of postsecondary education. State higher education chief officials vary from the very powerful (as in California) to the influential (as in New Jersey) to the relatively powerless (as in Pennsylvania).

Similarly, some states have centralized governing boards for higher education (as in Florida) while others have separate and independent boards for each state institution (as in Pennsylvania). In some states, the board plays an important role

in the development of the budget for higher education while in others, the individual colleges and universities submit their separate budgets directly to the governor or the legislature.

A high proportion of the state seminar coordinators report that higher education governance will be a significant issue to watch in the next decade.

Political Parties, Interest Groups and Education

Education tends to be less of a partisan issue in state politics than many of the other issues that confront state policymakers. The survey of State Educational Policy Seminar coordinators confirms this observation: no respondent indicated that the political parties were important factors in educational policymaking.

While individual legislative candidates and even a few gubernatorial candidates may make education an important issue in their campaigns, there is not a clear-cut Republican or Democratic position on education. The only time that traditional partisanship plays a role in educational policymaking is when a governor of one party makes education proposals to a legislature controlled by a majority of the other party. But in these instances, partisan conflict tends to be less intense in education than it is in other areas of public policy.

While partisan conflict over educational issues may be muted, interest group conflict is considerable. During the 1960s, Laurence Iannacconne published a study of educational interest groups, accurately predicting the collapse of the educational monolith dominated by state education associations. The advent of collective bargaining, coupled with federal categorical grants, splintered the old coalition and fragmented educational interests. Iannacconne suggested that eventually these separate educational interests would once again join forces, overcoming their own differences and presenting a united position to the legislature.

The survey of State Educational Policy Seminar coordinators indicated that Professor Iannacconne's predicted coalition has not yet materialized. According to the respondents, the major educational interest groups continue to be the state education associations and the state school boards associations. With two exceptions -- California and Pennsylvania -- there is no reason to believe that the groups have overcome their conflicts.

In California, the state school boards association joined the "Tuesday Night Conspiracy" to assure adequate attention to education as the legislature considered its appropriation to local governments in the wake of Proposition 13. However, even here, the school boards association dropped out of the Tuesday night group before the bail out legislation was enacted.

In Pennsylvania, the state education association attempted to forge a broad based coalition of both education groups and associations of local governments to increase state subsidies to local governments and school districts. However, observers say that the coalition rarely meets and individual members pursue their own strategy.

There have been other attempts at coalition politics as well. In some states -- such as California, Michigan, Ohio and Texas -- urban school districts have formed loose alliances to lobby for more funds. However, observers report little coordinated activity.

Thus, the established educational interests -- the state education associations, the state associations of school boards, the school administrators associations and the largest urban districts -- continue to pursue their separate interests. At times, these interests may overlap (as in the case of increased state aid), but the groups do not appear to engage in coordinated and cooperative political action.

Conflict also tends to characterize the politics of higher education. As state budgets get tighter, conflicts between the various segments of postsecondary education appear to increase. Sometimes the conflict appears to be between the state's main campus and the satellite campuses and state colleges. And in yet other states, junior and community colleges vie with four-year institutions for larger shares of the postsecondary education budget.

There are, of course, some examples of cooperation. For example, in Pennsylvania, the Pennsylvania Association of Colleges and Universities is an umbrella organization that attempts to present a unified position before the state legislature. While it has had some successes in reducing conflict, it has not prevented individual lobbying by the separate components of the higher education system. Nor has it been able to forge a unified position on the development of a new governance structure for the state colleges.

One of the difficulties in Pennsylvania is that there is no executive agency with responsibility for all of higher education. Thus alliances must be formed outside of the formal governmental structure. This is not the case in New Jersey, which vests authority over all public higher education in a powerful Chancellor of Higher Education. This shifts the area of conflict from the legislature to the Chancellor's office.

Finally, relatively few State Educational Policy Seminar coordinators identified other groups as being important in the development of educational policy. Among the non-education groups most frequently mentioned were the Chamber of Commerce and other business groups (8 states), farm groups (6 states), and taxpayers groups (6 states). Without exception, these groups were identified as being interested only in the taxation aspects of educational policy.

The only groups identified as having interest in some aspect of educational programs were the handicapped, racial and ethnic minorities, and proponents of vocational education. Parents groups, such as the state PTA, and citizen groups, such as the League of Women Voters, were mentioned as important in state politics in only two states.

In sum, the politics of fiscal constraint appear to have aggrevated the conflicts in both basic and higher education. Furthermore, the proliferation of interest groups in education has not been dramatic. The new players in the game are more a function of the splintering of the old education coalition than of the development of new, grass-roots organizations. With a few exceptions, state education politics continue to be characterized by conflict among the established interests -- teachers, administrators, school boards, big city school districts, and the various components of higher education.

PART IV

Educational Politics and Issues in the 1980s

XVII. Educational Politics and Issues in the 1980s

The 1970s were a turbulent decade for American public education. First, collective bargaining spread rapidly through elementary and secondary education and through much of the public sector of higher education.

Second, local financial problems required significant increases in state support for education, often hastened by court decisions invalidating existing state aid formulas.

Third, partially as a result of this increased state aid, states enacted laws requiring student competency testing programs, tieing test performance to promotion and graduation.

Finally, spurred by court decisions and federal programs, the states turned their attention to the handicapped and non-native English speaking students, who were traditionally overlooked.

Thus, much of the 1970s were marked by new state initiatives, directed at assuring both financial stability and academic quality of public education. During the latter part of the 1970s, these trends were slowed by new developments -- the tax and spending limitation movement and declining enrollments. As Alan Rosenthal and Susan Fuhrman pointed out, the emphasis shifted from policy to finance raising new issues and involving new policymakers.

The policy changes of th 1970s changed the nature of state educational politics. First, the spread of collective bargaining splintered the existing educational coalition; school boards and teacher organizations became opponents in collective bargaining battles rather than allies in state politics.

Second, the vast increases in state aid to education increased the stakes at the state level. Education, once a local function in most states, became a state function, and groups and individuals interested in education turned their attention from local boards of education to state legislatures.

Third, the Education for All Handicapped Children Act of 1975 marked a change in educational politics in at least two ways. It represented a major alteration in the federal role in education. Also, it encouraged the formation of new interest groups for the handicapped.

Fourth, the spread of minimum competency testing affected educational policymaking in several ways. Most important, it set state performance standards to which local school districts could be held accountable and created the possibility of even greater state involvement.

But it is the twin developments of financial constraint and declining enrollments that will most directly link the 1970s to the 1980s. When asked what educational issues are likely to be on the agendas of their states over the next several years, the State Educational Policy Seminar coordinators overwhelmingly identified financial issues. Generally, coordinators said the problem would be to find the resources to fund existing educational programs adequately.

The quest for adequate financing will be a difficult one for state policymakers during the 1980s. Officials agree that local property taxes are already too high. Furthermore, that source of revenue is already limited in many states by either constitutional limitations (such as Proposition 13 in California and Proposition 2-1/2 in Massachusetts) or by property tax reform legislative enactments (as in Oregon and New Jersey).

The possibility of increased state support for education varies from state to state, depending upon both political and economic factors as well as school enrollment considerations. In Connecticut increased state support for education will be impossible without new sources of state revenue. In Massachusetts state taxes are already quite high and the revenue problem is complicated by the loss of local revenues brought about by Proposition 2-1/2. In Michigan increased state revenues appear to be contingent upon improvement in the national economy. Finally, politicians are reluctant to spend money for education because it is politically unpopular, rather than because the state economy will not support higher taxes.

In many such states, the problem of increasing state support for education is coupled with the need for reform in the basic school subsidy formulas. While many states underwent basic reform during the 1970s, revision of the formulas remains an issue in many states. Overall, seven states report that they expect to be struggling with school finance reform during the early 1980s.

Funding issues manifest themselves in a variety of ways. Three states still experiencing a growth in enrollment (Georgia, North Carolina and Utah) report that the problem of financing new school construction and other capital improvements is likely to occupy the legislature over the next several years.

Two other specific funding concerns were reported as important issues. First, several states foresee substantial problems in funding special education. State expenditures for special education grew substantially during the 1970s, and several state educational policy seminar coordinators believe that continued increases during the 1980s will be, at best, difficult to achieve.

Finally, the funding of postsecondary education is expected to be an especially troublesome issue during the 1980s. Generally, the funding issue in higher education, like that in elementary and secondary education, is that there is not enough state money to meet all of higher education's competing demands.

In some states, the combination of financial limits and declining enrollment is likely to force state policymakers to rewrite enrollment generated funding formulas. In other states, legislators and executive officials will be confronted with the difficult problem of closing or merging college campuses. But the most basic policy issue raised is the construction of a governance structure that will assure the state of efficient use of resources, meet the needs of a changing student body, preserve the traditional autonomy of colleges and universities and maintain the quality of programs. While state relations with higher education will vary from state to state according to differing traditions, structures and needs, many of the State Educational Policy Seminar coordinators predict that the states' role in higher education will increase as rapidly during the 1980s as did its role in elementary and secondary education during the 1970s.

While financial issues are likely to dominate state agendas during the 1980s, considerations of quality are likely to receive substantial attention as well. Obviously, matters of educational quality cannot be separated from financial considerations; quality is threatened when financial support is not adequate. According to the survey of State Educational Policy Seminar coordinators, quality concerns are likely to manifest themselves in at least two ways.

First, several respondents indicated that they believed that their states would pay greater attention to the quality of teachers. Some states are likely to move to competency based teacher certification; others will increase traditional certification requirements; and others will expand professional development and in-service programs.

Second, some State Educational Policy Seminar coordinators predict new state initiatives to improve the quality of education. The education proposals of Governor James in Alabama and Governor Quie in Minnesota are likely to be suggested in other states, either by the governors, the state departments of education, or the legislators.

Two other educational issues were suggested by State Educational Policy Seminar coordinators as likely to receive state attention during the 1980s. First, collective bargaining will continue to be an issue in several states. In some states, state legislatures will adjust existing bargaining laws to meet contemporary needs. And in states without collective bargaining laws, teacher organizations will continue to press for bargaining rights.

Finally, school desegregation was viewed as a problem that the states would be forced to deal with during the 1980s. Both Ohio and Missouri, for example, are likely to continue to seek a solution to school desegregation problems in their cities. In Maryland, on the other hand, the pattern of segregation in the state colleges is likely to occupy state officials.

There are, of course, other isues that are reported likely to be on state agendas during the 1980s. Student competency testing is still being considered by some state legislatures. The states' relation to private schools will arise as an important issue in some states. And truth-in-testing proposals are still before some state legislatures.

But during the 1980s, three overriding concerns are likely to dominate the eductional agendas of most states -- finance, quality and governance. These considerations, provide a context in which particular educational issues are resolved. Just as considerations of equity and efficiency may have been the driving force behind the expansion of the state role during the 1970s, finance, quality and governance are likely to be the dominant considerations during the 1980s.

This changing context of educational issues is likely to affect the process by which the issues are resolved. Different individuals and institutions may be involved as states struggle with adequate financing, the quality of the teaching staff and the governance of higher education during the 1980s, than were involved with such issues as school finance reform, minimum competency testing and collective bargaining during the 1970s.

For example, at a time when state budgets are no longer expanding, and comptetion for scarce state resources becomes more intense, governors and their budget officers may come to play a greater role in educational policymaking. During the 1970s, legislatures often found themselves with budget surpluses and were generous in allocating a substantial share of that surplus to public education. But in the 1980s probably only gubernatorially-initiated tax increases will provide additional funds for education.

Moreover, shrinking state budgets are likely to increase further the role of state legislative fiscal committees as educational policymakers. According to the Rosenthal and Fuhrman studies cited earlier, education appears to be losing its appeal as a subject for legislator specialization. Rapidly rising costs coupled with declining public support for education may be encouraging legislators to seek other areas of specialization to serve their constituents and advance their own interests. As a result, legislative education committees may be losing their formerly high status and power. Fundamental policy decisions are just as likely to be made in appropriations and ways and means committees as they are in education committees.

If Rosenthal and Fuhrman are right -- and this survey supports their conclusions -- then educational interests may face less friendly legislatures during the 1980s than they did during the 1970s. Like governors, legislative fiscal committees are likely to view education as simply another high cost item in the state budget, another interest competing for increased expenditures for social services.

This theme of increased competition for limited state resources is likely to have a bearing on interest group activities. It is already clear that collective bargaining and categorical funding patterns have created deep schisms among the traditional interest groups. But the budget surpluses of the early 1970s may have muted that conflict because gains by one group did not necessarily reduce the funding for programs supported by other groups. For example, the significant state increases for the education of the handicapped did not come at the expense of other eductional programs. But in the 1980s, tight state budgets may create what social scientists like to call "zero-sum games" -- a situation in which gains by one group are balanced by equivalent losses by other groups. In such a context the stakes of poltics are increased and political competition is sharpened.

If President Reagan's block grant proposals are adopted, interest group competition may increase. Under existing categorical funding programs, interest competition is limited because each group is assured some share of the educational pie. Consequently, special interest groups often seek only marginal gains.

But with block grants, the existence of established programs may be questioned. Groups may be forced to struggle to maintain what they already have rather than being assured of a safe base from which to seek expanded support.

The minimum competency testing movement is likely to affect postsecondary eduction in the 1980s, as well as basic education. For example, New Jersey already explored the possibility of competency testing as a requirement for graduation from its state colleges. And observers in Florida predict that competency testing may be used as a criterion for admission to the upper divisions of its colleges and universities.

While the states have always been interested in, and even responsible for the quality of educational programs, this renewed state concern for quality is different from past considerations and is likely to affect both educational politics and governance.

Previously, the states entrusted the maintenance of quality to local school officials and college administrations and faculties. The state role was largely limited to supplying funds. On the other hand, the current state initiatives force the states to become more involved in the quality of educational programs.

The continued growth of the state role in education is likely to bring much greater state involvement in the day-to-day affairs of local school districts. States are likely to increase academic requirements, oversee the financial affairs of local schools, develop requiremnts for citizen participation in school policymaking and, perhaps most significant, rigorously monitor and oversee the implementation of state requirements. Local school districts may eventually develop into administrative agencies of state departments of education rather than the political representatives of local communities that they are now.

Second, the state role in postsecondary education is likely to increase dramatically. States will develop more centralized administrative bodies that may be charged with such responsibilities as closing or merging college campuses, approving new degree programs, setting faculty work loads and even degree requirements. The question of how to pursue legitimate state interests and yet maintain autonomy and academic freedom will confront policymakers in many states.

These changes create both new challenges and opportunities for state political and educational leaders. How the states will react to these challenges can be determined by the answers to the following questions:

1. Will the governors become involved in educational issues during the 1980s just as they were advocates of increased spending for education during the late 1960s and 1970s? Governors, as the most important officials in state budget processes, can coordinate education with other social services, tie budget requests to demands for educational quality and take the lead in directing educational resources to the needs of traditionally disadvantaged students.

2. Will the chairmen of legislative appropriations committees defer to the members of the legislative education committees who have experience in education policy? Appropriations committees have demonstrated relatively little interest in public education. Without significant input from legislators concerned about the futute of education, appropriatons committees are likely to allocate scarce state resources to other agencies.

3. Will the educational interest groups cooperate with each other or will they compete with each other? Interest group cooperation could stabilize educational funding while increased conflict could mean the elimination of much needed programs with little public support.

4. Finally, how will educational leaders react to the scarcity of the 1980s? Educational leaders both from elementary and secondary education and from higher education are perceived as self-serving, too often promoting the maintenance and expansion of their own programs and institutions rather than the educational needs of the students they are designed to serve. Unless educators can demonstrate a clear relationship between increased funding and improved quality, state policymakers are not likely to heed their demands for greater state support.

Old issues in public education remain unresolved, and new ones are sure to arise. State political leaders will be forced to resolve these issues with fewer resources. The states were at the forefront in educational policymaking during the 1970s. Their difficult task during the 1980s will be to try to forge rational and realistic solutions to the new challenges ahead.